Daily Report

East Europe

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FBIS-EEU-93-181 *21 September 1993*

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Minister Says Leaders Agree on Muslim Corridor to Sea

AU2109115193 Paris AFP in English 1133 GMT 21 Sep 93

[Text] Sarajevo, Sept 21 (AFP)—Leaders of Bosnia's three warring communities have agreed to give a future Moslem mini-state an outlet to the sea, Bosnian Deputy Foreign Minister Sulejman Suljic said Tuesday [21 September].

"Territorial concessions were obtained last night to the east and the west," he said, referring to concessions made by the Bosnian Serbs and Croats in the meeting on the British aircraft carrier Invincible in the Adriatic. But Suljic stressed that Bosnian authorities would not sign a peace plan before obtaining "guarantees that what was decided will be implemented."

Following the Invincible meeting, Lord Owen, the European Community's mediator in the Bosnian pace talks, said he thought it "pretty accurate" to say that an agreement was closer now than at any time in the past. He said Bosnian demands for access to the sea had been met by a Croatian proposal to create free zones, notably at Ploce.

The mediator also said the Bosnian Serbs had made "small but significant" concessions on the river Drina in eastern Bosnia-Herzegovina along the border with Serbia.

Owen, speaking in a BBC radio interview from Zagreb, rejected reports that the talks had ended in failure. "The talks didn't break up or break down," he said. "They ended with a package of modifications and changes which (Bosnian) President (Alija) Izetbegovic decided that he would put to his assembly in Sarajevo Monday [day as received]."

Shortly after 1 p.m., Izetbegovic returned to Sarajevo. He said he would give a press conference later Tuesday.

Silajdzic Explains Agreement

AU2109130793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1200 GMT 21 Sep 93

[Report by Nada al-Isa from Zagreb]

[Text] At the talks with international (?mediators) Lord Owen and Thorvald Stoltenberg held somewhere in the Adriatic, the Croatian and Bosnian sides agreed for the future Bosnian Republic to be given an outlet to the sea at Neum. Of course, nothing has been signed yet, but it has been agreed. This was confirmed to us by Haris Silajdzic, minister of foreign affairs of Bosnia-Herzegovina:

[Begin Silajdzic recording] As you know, a meeting was held between three sides aboard the Invincible yesterday. The Bosnian and Croatian sides reached an agreement on an outlet to the sea [words indistinct]. What is involved is that [words indistinct] access road, the future Bosnian Republic has an exit to Neum, that is, the (?peninsula) of Klek. According to the agreement, this one part (?is not set precisely). This has been left to commissions to complete. What is involved is [word indistinct] founding of a joint agency for planning (?tourism) at that part of the Adriatic that would belong to (?the Bosnian Republic).

There (?will be) another agreement, and that is about leasing the port of Ploce for 99 years. This is, by the way, a usual term in international relations. According to this agreement, the Bosnian Republic would use the Croatian port of Ploce, that is, a part of that port, for 99 years. An agreement, that is, a contract would be made about this between Croatia and the Bosnian Republic. That agreement would be a part of the overall [word indistinct]. Also [words indistinct], the Bosnian Republic may have [words indistinct] that would accept and serve ships that would be coming either from (?Ploce)—in that case, it would involve [word indistinct] ships—or directly from other Mediterranean ports. Of course, what is involved is that part of [words indistinct] until Gabela to [name indistinct], as this agreement envisages. [end recording]

Therefore, according to the minister, there is hope. However, Croatia, the [word indistinct] host of last night's meeting is disappointed with the meeting. President Tudjman said exactly that. He said he was disappointed with the [word indistinct] in the demand issued by President Izetbegovic that he wanted to have an outlet to the sea at Neum. According to Tudjman, Croatia could never agree to that.

As you heard in Minister Silajdzic's statement, the Croatian and Bosnian side agreed exactly that last night: that the Bosnian Republic should get an outlet to the sea and [words indistinct] at that. Therefore, it is not clear why the Croatian president is keeping this agreement secret even from his people. Instead, he still speaks about Neum as being a part of the territory of the Republic of Croatia.

Silajdzic on Talks

AU2109091193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 21 Sep 93

[Text] [words indistinct] meeting of the representatives of the three sides in Bosnia-Herzegovina planned to be held at Sarajevo airport has been called off. A peace agreement on Bosnia-Herzegovina should have been signed at this meeting. The meeting was called off after the meeting that [words indistinct] with the representatives of the three sides aboard the British aircraft carrier Invincible yesterday. [passage indistinct] sea and rivers, as well as additional territories in excess of the 30 percent that was proposed according to the peace plan.

After returning from the talks aboard the British aircraft carrier, Lord David Owen said at Split airport that the talks are going to continue and that he hopes for the best solution.

Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, refused to make any statement, but Foreign Minister Haris Silajdzic said that he considers the talks held aboard the British aircraft carrier to be relatively successful by the very fact that everybody was remaining at the negotiations and that following this meeting many matters are on the best way to being solved, particularly regarding problems between the Bosnia-Herzegovina and Croatian delegations.

Taking part in the talks aboard the British aircraft carrier were also Serbian President Slobodan Milosevic, Montenegrin President Momir Bulatovic, and Radovan Karadzic, leader of the extremist Serbian Democratic Party.

Zagreb Radio: 'No Progress'

LD2009192793 Zagreb Radio Croatia Network in Serbo-Croatian 1900 GMT 20 Sep 93

[Text] The talks were difficult. Alija Izetbegovic insists on Neum, but the Croatian side cannot accept that. Journalists were told this at Split airport this evening by Dr Franjo Tudjman, president of the Republic of Croatia, upon his return from the British aircraft carrier Invincible and before his flight to Zagreb.

President Tudjman said that Thorvald Stoltenberg, Lord Owen, and Alija Izetbegovic are still aboard the ship and that the Serb representatives have left for home.

Asked if he would go to Sarajevo tomorrow, President Tudjman said: I will not go. How can I go when the Muslims are stubbornly insisting on Neum and will not budge?

John Mills, spokesman for the the cochairmen of the conference on former Yugoslavia, told journalists at Split airport this evening that no progress was made in the talks, that the Muslims continued to insist on Neum despite the fact that Ploce and Metkovic were discussed at length. According to Mills, Izetbegovic said that he would convene his parliament and that only after that would he be in a position to resume talks.

Sarajevo Meeting Cancelled

LD2009220793 Belgrade TANJUG in English 2130 GMT 20 Sep 93

["Pool" item]

[Text] Belgrade, September 20 (TANJUG)—Co-chairmen of the International Conferemce on Former Yugoslavia Lord David Owen and Thorvald Stoltenberg have called off a meeting of the leaders of the the warring sides in the former Yugoslav Republic of Bosnia-Herzegovina previously scheduled for Tuesday at Sarajevo Airport, spokesman for the two co-chairmen John Mills said in Zagreb on Monday evening [20 September].

Mills told REUTERS news agency that the meeting would not take place 'because all sides have not shown sufficient flexibility.'

The biggest obstacle in negotiations is an additional Muslim demand to be given access to the sea and rivers and more territory besides the 30 percent already assigned to the Muslims under the proposed agreement.

Mills' statement came after the co-chairmen's unexpected meeting with the leaders of the three ethnic communities in Bosnia—Alija Izetbegovic (Muslim), Radovan Karadzic (Serb) and Mate Boban (Croat)—on board the British aircraft carrier 'Invincible' in the Adriatic.

REUTERS claims that the meeting was attended also by presidents of the Yugoslav republics of Serbia and Montenegro Slobodan Milosevic and Momir Bulatovic and Croatian President Franjo Tudjman.

As reported by the ASSOCIATED PRESS news agency earlier, the meeting was aimed to surmount differences in the stands of the confronted sides and to prepare for the expected signing of the peace agreement in Sarajevo.

After the unsuccessful talks, the co-chairmen called off tomorrow's meeting, at which the confronted sides were expected to sign the proposed peace agreement on ending the 17-month-old war in Bosnia.

In early September, yet another round of talks ended in failure after the Muslim side made additional territorial demands which the Serb and Croat sides could not accept.

Under the proposed plan, Bosnia-Herzegovina should be a union of three ethnic republics—Muslim, Serb and Croat.

Government Issues Decree on Border

LD1709155793 Tirana Radio Tirana in English 2200 GMT 16 Sep 93

[Text] At today's meeting, the Albanian Government sanctioned some changes in the regime of the Albanian border. The endorsed project defines the state border, the new juridical regime in the border and border police as a specialized force for the protection of the border. The project legalizes the organization of meetings with analogous organs of the neighboring countries for the exchange of information and other problems. The border belt [as heard] was lifted and only the border zone remains, different from the previous law which prohibited the free circulation of persons on both sides of the border.

All the persons economically active who work with a contract more than one week are secured on the basis of the law for the social insurances, said the decision of the government for the application of the law. The basic criteria for the processing of social insurances, says the decision, is the period in work. It also defines that the statement [as heard] and the state takes over to pay the contribution for the employed persons for their insurance at 10 percent a month. For year 1993 the state budget ought to be financed by the social insurances which deals with the distribution of insurances with 135 million lek.

The creation of a governmental commission was also created which deals with the distribution of humanitarian aid given free of charge.

The meeting also decided the approval of the project on the extension of the road Tirana-Vore-Durres with the funds of the World Bank. The means the extension of the road twice, which will make it a motorway. The decision defines the new stage of work which starts at the end of December of this year.

Socialist Leader Criticizes Government Party

AU2009111893 Tirana ZERI I POPULLIT in Albanian 12 Sep 93 pp 1-2

[Interview with Dr. Servet Pellumbi, deputy chairman of the Socialist Party, by Hamdi Jupe; place and date not given]

[Excerpts] [Passage omitted] [Jupe] A new term is being bandied about in the propaganda of the party in power, as well as in the president's press conferences: "leftist extremism," without specifying whom this term refers to. What is your understanding of this term?

[Pellumbi] There is nothing new in the term "leftist extremism." It is another designation for communist extremism and it appears that the president's use of this designation in his latest news conference is conditioned by two circumstances: First, it is an effort to counterbalance the socialists who have, and rightly so, drawn attention to "rightist extremism." In fact, "rightist extremism" constitutes a major danger since it exists within the party in power, in contradiction to its original program, and has at its disposal all the institutions and can therefore find the courage to operate openly, thus changing the nature of the Democratic Party [PD]. Second, now that it is obvious that communism is dead and the past can no longer return, the PD thesis concerning the struggle for the "eradication of communism" has lost its effect and it is no longer possible to equate the PS [Socialist Party] with the PK [Communist Party]. Consequently, what has now been brought up on stage is "leftist extremism"!

Is it possible to argue that there exists a leftist extremism within our party? First, as a rule, there is always a diversity of opinions in every modern party, and so it should be. There are always individuals who, on certain specific subjects, may appear to be further to the left or to the right. However, when these individuals do not actually go beyond a party's program, they cannot be called extremists. Basically, extremes are alien to contemporary parties, leading to a shift in their position within the pluralistic political spectrum, the abandonment of their programs, and the adoption of other programs. The president and all those other people who attempt to use the term "leftist extremism" in conjunction with the PS are therefore making a big mistake. [passage omitted]

[Jupe] The PS demands for earlier elections have been interpreted by certain political forces as a desire by former office-holders to return to power. Does this accusation hold? Is there really a danger that the PS' coming to power would bring back a contingent of the former AWP [Albanian Workers Party] caste?

[Pellumbi] Our call for earlier elections in no way whatsoever implies impatience or thirst for power on the part of the PS. It is obvious that, as with all important political parties, the PS aims for power in order to implement its program. However, this cannot be interpreted as a "thirst for power." The PS has shown itself, within the country and abroad, to be a well-balanced political force that is well aware of the rules of the game in a pluralistic democracy and, consequently, it seeks to attain its political goals solely by democratic means, by free ballot. We must admit that our society, particularly in this stage of transition toward a democratic society, must adopt new mentalities and new rules of the game leading to a consensus, whose attainment is certainly not easy when the country is governed by a political majority that relates consensus to conformism.

I think the idea reflected in your question, that a former AWP contingent might return to power in the event of a PS victory, is a reflection of the kind of propaganda that has become more intensive recently, according to which the PS represents the old order and is therefore a regressive and undemocratic force, and so forth.

I would say that such a danger is non-nexistent for the simple reason that a former AWP class does not exist.

The first PS step at the time of its inception was the political liquidation of this class, represented by the Politburo, the Central Committee, former government personalities, and so forth, in addition to profound criticism of the real social upheaval created by a totalitarian class. At the same time it is also a fact that throughout the PS structures, in its group of deputies and among the socialist counselors at the local level there are new people, real democrats, people with adequate professional training, who make very big demands of themselves and the party to which they belong. These people will be appointed, when the time comes, to responsible positions: "Today in the shade and tomorrow in the sun!" I believe that this is an easy guarantee for the PS.

[Jupe] The party's leading organs have recently been rejuvenated with a number of young supporters. What is your assessment? Is there a basis for certain media comments that this is a PS attempt to move toward the center or are there broader aims?

[Pellumbi] At a time of considerable and rapid transformations such as those that are currently taking place in our country, the arrival of new contingents and the rejuvenation of leading organs with young supporters is an indicator of the vitality of the PS and its ability to feel and adjust to the times. We note with pleasure that over half our party's members are young people who have never belonged to another party. The rate of new membership applications is very high. The rejuvenation of the party's leadership, as you called it, is related to these factors.

This is an indication that the PS has a guaranteed future as a political force with a social democratic program and vision representing a well-known alternative in Europe, in which Albania aims to integrate itself.

[Jupe] Official propaganda amplifies the thesis of the so-called decline and degradation of the Left in Europe and in the world. Can one really talk about such a decline?

[Pellumbi] Yes, it is a fact that after 1989 the right used, on a world-wide scale, the defeat of communism to undertake an escalated offensive against the Left in general. We must accept the fact that it had some success in this, that it was able to create disillusionment and cause rifts among leftist forces, and that elections were lost or, at best, that there was a loss of prestige.

The European Left accepted the challenge and is using it to restructure itself in various countries, as well as on a continental level. The creation of a European Socialist Party last year is one of such measures. The growing need for new ideas, adequate for the time we are living in, can be seen as another chance to show the superiority of the Left under conditions in which the Right complains that its ideas are running dry and is looking in the direction of neo-liberalism.

In this context I would not consider the term "decline of the Left" in Europe to be exact. I am saying this bearing in mind another situation. A profound economic crisis is looming on the horizon at the moment. Consequently, a lot of people will turn to the forces of the Left which have been called onto the stage on such occasions more than once in history and played their historic role. Thus, what is to be expected is not a degradation and decline of the Left, but its growth and development. I would add in this context another factor that has placed our own Right in a somewhat ridiculous position. When they wanted to denigrate us when our party was just beginning, they would say that it's all in vain, that we are too far removed from the European Left. They would say that the Socialist International was right not to admit us into its ranks! Later on they would search for negative phenomena among the leftist parties in various European countries and thus "argue" that the Albanian PS was also "suffering" from the same "disease." Since Craxi was accused of corruption, Nano also was accused! Who is to understand this kind of logic!

[Jupe] Your opinion on the European Democratic Union's [EDU] refusal to admit the P[illegible]—Europe's interest in Albania—The PD has claimed until very recently that it enjoys Europe's total support. Do you believe that that refusal is a signal of its reservations concerning the PD?

[Excerpts] [Pellumbi] I can sincerely say that I would have liked the PD to be a genuine democratic European party and that it should be admitted to the EDU as soon as possible.

But in order to achieve this its leaders should be free of their euphoria and megalomania of "planetary dimension," boasting throughout the world (not to mention on trips within the country) that the PD is a "real and unprecedented example of organization within the international democratic movement" (RD, 1.11.1992). They have forgotten that "the world is very small" today and the echo of their doings does not take long to reach Europe. It looks as if the EDU representatives know the old Korce song: "You say one thing, you do another...!"

The same logic is applied by the PD leaders with regard to the conclusions of the Council of Europe Commission for Relations With Non-Member Countries, whose members were in Albania very recently. Instead of responsibly analyzing what needs to be done to meet all the conditions needed for Albania's full membership of the Council of Europe—conditions that the said Commission made perfectly clear in public, stressing particularly the urgency of the adoption of a Constitution, respect for human rights, and other reservations with regard to the PD—they chose to blame the opposition, particularly Namik Dokle, leader of the PS parliamentary group. However, this kind of racket, inventing "enemies" in order to blame them for the failures of the PD, have become somewhat too frequent recently and can fool hardly anyone.

[Jupe] What is your opinion of the PD's foreign partnerships and their preferences between Europe and the United States?

[Pellumbi] The problem of foreign partnerships after opening up, which is a great achievement following the prolonged years of isolation, is extremely important and topical. This is a priority issue even for larger countries that enjoy stable international relations.

Proceeding from these considerations, I would say that choosing partners is not a matter for specific political forces, but an international question requiring an adequate juridical basis and, possibly, a consensus of all political forces. Thus, the slogan heard at popular meetings in the early stages of the democratic processes: "We want Albania to be like Europe," reflected a demand that we seek our partners primarily in Europe. This certainly does not mean closing the door to others.

Our observations concerning the PD's foreign partnerships can be summed up in the following two points: First, that the government's policy in this matter has proven to lack a sense of direction and that the problem of foreign partnerships has been left completely to fate. Second, that the change of partnerships or priorities in this field has lacked the necessary openness. Matters that are decided in secret always give rise to considerable suspicion.

Let us take, for example, the question of joining the Islamic Conference. On what basis was this effected? At his news conference on 7 August 1993, the president declared: "A decision was made to participate in the Islamic Conference taking into consideration the fact that the majority of Albanians are Muslim." I believe this type of argument to be wrong because religious considerations form the basis for joining this or that alliance in our secular state. More than one year has elapsed since our government and the president made this decision and the question arises: "Why has it not been presented to parliament for ratification?"

Or let us look at another matter: The leaders of the PD and the government were clearly informed that Albania could become a full member of the Council of Europe only after the adoption of a constitution. We are therefore asking: Why is there procrastination in such an important matter, instead of acceleration? I believe that this is also part of your question. [passage omitted]

[Jupe] What is your opinion concerning the demands made to outlaw the PS? Is this an attempt to intimidate the PS or a continuing PD strategy to achieve this aim?

[Pellumbi] Such not very serious revanchist calls have been heard at some meetings or by journalist-politicians or politician-journalists. Were this to become part of a continuing PD strategy, we would in that case say without hesitation that a fascist dictatorship has been installed and is operational in Albania. [passage omitted]

Zhelev Dismisses Security Chief Antonov

AU2109092293 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 21 Sep 93

[Text] On 21 September President Zhelyu Zhelev relieved Colonel Arlin Grigorov Antonov of the post of director of the National Security Service of the Ministry of Internal Affairs. The minister of internal affairs has been instructed to carry out the decree.

Press Comments on Polish Elections Results

AU2109100093 Sofia BTA in English 0915 GMT 21 Sep 93

[From BTA's 21 September "Press Review"]

[Excerpt] Sofia, September 21 (BTA)—Today's press frontpages reports and commentaries on the official early returns of the general elections in Poland.

DUMA, the daily of the Bulgarian Socialist Party (BSP), reports of the congratulations cabled yesterday by BSP leader Zhan Videnov to Aleksander Kwasniewski, leader of the Alliance of the Democratic Left in Poland, which polled one-fifth of the vote. "This victory is the result of the foresighted long-term political course which this party has been following for several years," Mr. Zhan Videnov told DUMA. In it he sees an expression of the hope of the Polish people that radical changes in their country can be realized at bearable social costs and that this can be guaranteed by a strong and modern left-wing party. According to Mr. Videnov, expectations for a maximum commitment of the BSP to the solution of the most difficult problems of the crisis and the transition are growing in Bulgaria too.

The private STANDART NEWS daily comments that there is no reason why the left-wing in Poland should not succeed in continuing the reform, in getting Poland into the European Community and NATO and in convincing Western investors that their money is safe. "Leaders like Aleksander Kwasniewski and Wlodzimierz Cimoszewicz have shown remarkable political class over the past years," the commentary reads. The daily presents the parties which won seats in the Sejm and publishes a portrait of Aleksander Kwasniewski under the headline "A Man of All Seasons."

"Is the Victory of the Polish Left-Wing Sad?" is the headline of a signed article in the private 24 CHASA.

"Solidarity Left Out of Sejm, ex-Communists Win Elections in Poland," is the headline of the report on the outcome of the elections in the private KONTINENT daily. It runs Aleksander Kwasniewski's views on the future cabinet.

"The Reds Return Victorious in Poland, Will They Lead Off?"—under this headline the trade union TRUD daily reports of the results of the parliamentary elections in Poland. This daily also runs a commentary by the renowned Polish journalist Adam Michnik published in the Polish GAZETA WYBORCZA which he personally granted to TRUD.

"Poles Choose Left-Wing Government", DEMOKRATSIYA, daily of the Union of Democratic Forces, "The Land of Solidarity Swings Left," ZEMYA, independent national daily, "Disunited Right-Wing Falls Into the Background," ZEMEDELSKO ZNAME, daily of the extraparliamentary Bulgarian Agrarian Party, "Apprehensions of a Delay in Reforms," the private OTECHESTVEN VESTNIK daily and "Reforms to Market Economy Do Not Seem Threatened" PARI, finance and business news daily are the other headlines on the elections in Poland in today's Bulgarian press. [passage omitted]

Mayors Protest Restricted Municipal Budgets

AU2009072193 Sofia BTA in English 2013 GMT 19 Sep 93

["Today"—BTA lead]

[Excerpt] Sofia, September 19 (BTA)—Sofia's Mayor Aleksandur Yanchulev read on national television tonight an address adopted at a meeting of mayors and chairmen of Municipal Councils of the Union of Democratic Forces, expressing concern over the impossibility to secure a decent living to the population with the restricted budget of the municipalities, voted by the cabinet headed by Professor Berov with the support of the parliamentary majority of the Bulgarian Socialist Party, the Movement for Rights and Freedoms, and the New Union for Democracy. The address called on the cabinet, parliament and the president to take all necessary measures to update the budget of the municipalities by October 1 with a view to safeguarding the citizens' universal rights to life, health and education. "Unless they do so, we shall invoke the entire responsibility that came to us through a direct election by the people and we shall call on the citizens to take lawful actions for self-preservation in the face of the impending economic and political winter," the address said.

Tobacco growers in the village of Benkovski (southern Bulgaria), who are on strike demanding a rise in tobacco purchase prices, set up a Coordinating Centre of the Strike Committees in Bulgaria. The centre adopted a declaration demanding a 100 percent rise in purchase prices for this year's crop, the passage of a law on tobacco and tobacco products, and the resignation of the leaders of the Union of Tobacco Growers. According to the declaration, the hunger strike in the municipality which started a week ago will go on until the demands are satisfied.

3,000 farmers, protesting against the low purchase prices of tobacco, milk, meat and other agricultural products, blocked the International Highway Sofia-Istanbul at the village of Biserovo (southern Bulgaria, near Khaskovo) from 1 to 2 p.m. They also protested the import of food at dumping prices.

Thirty-five British police arrived in Sofia on a ten-day visit to share their expertise with Bulgarian Police. The visit was organized by the Know-How Fund at the British Embassy. The guests will give lectures on patrolling and the enforcement of public order. road policing, the provision of technical security to offices and economic crime control. [passage omitted]

Matinchev, Aleksandrov Respond

AU2009200193 Sofia BTA in English 1840 GMT 20 Sep 93

[Text] Sofia, September 20 (BTA)—The government is willing to hold discussions and maintain dialogue but it will not yield to pressure in the name of obscure political interests, Deputy Prime Minister Evgeni Matinchev said at a press conference today in response to yesterday's address of the mayors of the Union of Democratic Forces (SDS) in which the mayors call the citizens ,to lawful actions for self preservation. The press conference was also attended by Finance Minister Stoyan Aleksandrov who responded to the demands of the mayors for updating budget subsidies for the municipalities by October 1, 1993.

In the address read by Sofia Mayor Aleksandur Yanchulev on TV last night, the mayors of the SDS voice their "great alarm over the violation of fundamental civil rights, and point out that ,the destructive fear and hunger of the communist past are returning." The mayors accuse the government of passing together with the parliamentary majority a budget "which has made it impossible for the municipalities to secure a decent living to the population." "The entire responsibility for this does not lie with the local but with the central authorities," the address stresses.

Deputy Prime Minister Matinchev said that instead of arguments, the address was full of "empty words unsupported by a single fact." According to him, the address is in line with the strategy of the supreme leadership of the SDS. "There has been nothing to justify the groundless allegations that the government has turned its back on its social policy," Mr. Matinchev said. According to data of the government cited by Mr. Matinchev, the 1992 expenses of a member of the households monitored by the Council of Ministers exceeded the income by 119 leva while at present the income per member exceeds the expenses by 48 leva. According to him in the second quarter of 1991 the average old age pension was 1,151 leva, its increase against the average working wage being 5 per cent. "The trend is entirely positive and there are symptoms of economic stabilization," Mr. Matinchev said. "The underlying idea of the address of the mayors is their unwillingness of perform their duties," Mr. Matinchev said.

Finance Minister Aleksandrov said that if the demands of the mayors for updating the budget subsidies for the municipalities are met, "Bulgaria will enter the spiral of hyperinflation." He cited data of the increase of subsidies over the past four years and stressed that this year they were increased 253 per cent. According to the finance minister, despite the difficulties 1993 can hardly be called disastrous. "I am surprised that at my recent meeting with almost all mayors in Bulgaria no one expressed fears or voiced demands similar to the ones in the address," Mr. Aleksandrov said in conclusion.

BSP To Investigate Internal Corruption

AU2009132293 Sofia DUMA in Bulgarian 15 Sep 93 p 1

[Report by Dora Chichkova: "BSP To Investigate Corruption"]

[Text] Up to this moment we have received no information related to corruption in the higher circles of the Bulgarian Socialist Party [BSP], Professor Vladimir Topencharov, member of the BSP Executive Bureau, said at a briefing. Aleksandur Marinov added that the BSP deputies have been warned that their participation in directors' boards of state companies and banks is illegal. He recalled that the Constitutional Court had adopted this interpretation of the law at the request of the BSP parliamentary faction.

Private activity is not, however, forbidden by law or by the charter of any party that recognizes the market economy. The BSP cannot force any Socialist to refrain from participation in private companies, Marinov said. Nevertheless, he added that there is a view in the BSP that its politicians should not have anything to do with private business.

It was reported at the briefing that the BSP All-Party Control Commission was checking rumors about corruption that had appeared in the press. The commission is not in a position to check whether the otherwise legal private activity of the socialist elite does not involve utilization of positions in the National Assembly and influence over the executive power, Sashka Karakasheva, chairman of the commission, told DUMA. The All-Party Control Commission was not able to prove anything illegal in the business activity of Zakhari Zakhariev and Prof. Topencharov, about whom DUMA wrote that he is involved in three private companies. No registration of a company by Krasimir Premyanov was found.

Despite the fact that it is difficult to prove corruption, the leaderships of the BSP and its parliamentary faction showed their readiness to struggle against it, adhering to the presumption of innocence. Prof. Topencharov promised that proven facts will be published.

Glushkov Interviewed on Anticommunist Bloc

AU2009143093 Sofia DEMOKRATSIYA in Bulgarian 15 Sep 93 p 1

[Interview with Ivan Glushkov, "chairman of the Christian-Agrarian Party," by Radoslav Gulubarov; place and date not given; "The Stake Is Great, We Have No Right To Err"]

[Text] [Gulubarov] Mr. Glushkov, recently you again launched the issue of the necessity of uniting all anticommunist forces in Bulgaria and forming a joint anticommunist bloc in the forthcoming election. Please, explain your reasons against the background of certain claims that since communism no longer exists, the issue of anticommunism is not a topical one.

[Glushkov] I leave the claim that communism has been eliminated in Bulgaria to the conscience of those who make this claim. The truth is that, as a sociopolitical system, communism (socialism) disappeared. However, neocommunism is especially active as a political practice. With its actions and positions the former Communist Party, despite the fact that it changed its name and now calls itself a socialist Party, daily proves that it has not forgotten anything old and not learned anything new. It is not by chance that one of DUMA's rubrics is titled "We Are Here Again." Any intelligent Bulgarian could easily answer the questions: Who are those "we," who are here again, and, above all, why are they here? Naturally, they are here in order to impose their communist stamp on the Bulgarian democracy, under conditions of growing anarchy, facilitated by the cabinet of Lyuben Berov, and occupy again the key positions in the new political and economic structures of our society (if they ever left those positions).

Thus, the reason for uniting the anticommunist parties and organizations is clear—to decisively oppose through ideological and political means the process of recommunization staged by the Bulgarian Socialist Party [BSP], and remove that party from the levers of power, to which it gained access again as a result of the so-called reconstruction of the parliamentary space, thus crudely deforming and forging the vote of the Bulgarian people in the 1991 elections.

[Gulubarov] Since we have invoked the ideas of anticommunism and anticommunists—do you not think that those concepts scare some people?

[Glushkov] I would say that the socialists and their sycophants in the mass media deliberately speculate with the concepts of anticommunism and anticommunists and embellish them with adjectives such as wild and primitive, thus trying to invest them with retrograde and even extremist characteristics. They fail to mention that the real anticommunist is not a man with a knife between his teeth, who chases former Bulgarian Communist Party and current BSP members, but rather is a principled and consistent opponent of the communist system itself.

There is another amazing thing. The same gentlemen who are so sensitive to the word anticommunist proudly repeat the word antifascist. They even established their Bulgarian Antifascist Union. Furthermore, according to their primitive logic, since the fascists were anticommunists, today every anticommunist is almost a fascist. They find it impossible to admit that the real democrat is simultaneously both an anticommunist and antifascist, because both systems are equally inhuman and criminal.

[Gulubarov] How do you think the unification of parties and organizations with an anticommunist character might be achieved?

[Glushkov] This will be decided by the parties and organizations themselves after bilateral talks. The essential thing is that each party and organization assume specific political commitments to the Bulgarian public and voters, namely, that their representatives in the future parliament not participate in any coalition with the BSP, and not participate in or support cabinets supported by and thus dependent on the parliamentary group of the former Communists, as is the present Cabinet.

The dilemma in the next elections will be either to support the BSP and its collaborators—something that will mean a final drowning in the postcommunist swamp—or to support the anticommunist forces, something that will guarantee the normal development of the democratic process, economic stabilization, and the gradual construction of a relatively wealthy middle class in the country. There is no middle road. This fateful character of the choice that must be made in an extreme economic situation will strongly polarize society, prevent the normal structure of the political space, and doom therefore every attempt to create phantom centrist formations.

Naturally, The creation of an anticommunist bloc does not mean automatic participation in the elections with a single ballot. This will depend on many factors and most of all on the specific requirements of this or that election system. However, it is mandatory for bloc participants to sign an agreement on ensuring a new anticommunist majority in the future parliament.

[Gulubarov] Whom do you see as the main participants in this pre- or postelection anticommunist formation?

[Glushkov] First of all, the Union of Democratic Forces [SDS]. Obviously, today it is impossible to create a powerful and authoritative anticommunist bloc without, or even less so—against—the SDS. This is well understood by opponents of real democratic changes, who for one year already have attacked the blue [SDS] coalition from various directions and try to split or "tame" it.

Simultaneously, it is no less obvious that the SDS alone, with its forces, will hardly win the elections in a decisive manner. The well-organized campaign against the SDS in the mass media, certain inevitable mistakes during its rule, and most of all the numerous acts of treason and traitors within its own ranks shook the confidence of some of the supporters and adherents to the blue idea.

Therefore, now it is necessary to create a winning preelection formation in which the SDS plays the main role. This will be something like SDS-People's bloc or SDS-Anticommunist Coalition, with the participation of

monarchist organizations, the Christian-Agrarian Party, and Agrarians-anticommunists. Such a formation will more successfully strengthen those who lost confidence and attract many new voters in the cities and the villages, including voters among the Bulgarian Muslims and Bulgarian Turks, who will understand even better that their interests were sold by the leadership of the Movement for Rights and Freedoms. Such a formation will give a new impetus to the hope and desire of millions of Bulgarians to finally eliminate neocommunism in Bulgaria.

All this predetermines the exceptional responsibility of the SDS leadership, as well as the leaderships of the separate parties and organizations in the coalition, in forming the anticommunist bloc. Narrow party interests, petty personal ambitions, and fighting for more deputies must be relinquished in the name of the common goal—achieving a convincing victory in the elections and restoring the rule of democratic forces.

[Gulubarov] Do you believe in the convincing victory of the anticommunist forces in the next elections?

[Glushkov] I firmly believe in that victory, and not because I mistake what I would wish for reality. I also believe in the good sense of the Bulgarian people. They already demonstrated it at the 1991 elections. I am willing to bet that a great many of those who declare today that they are disappointed and have lost their faith, and therefore will not vote, will again mobilize their efforts in a preelection situation. It is our job to plant the seeds of the faith in the victory. Bulgaria's democratic future will depend on that victory. The stake is a great one and we do not have the right to err.

NSI Reports August Inflation Rates

AU1609182093 Sofia BTA in English 1508 GMT 16 Sep 93

[Text] Sofia, September 16 (BTA)—August inflation was comparatively low: 2.6 percent from a base in July, according to the National Statistical Institute [NSI]. From a base in August 1992, however, inflation was 60 percent, said Mrs. Velichka Rangelova, head of the NSI price statistics department.

Foods are most to blame for the growth of inflation. They appreciated an overall 3.1 percent, nonfoods 2.6 percent, and services 1.1 percent.

The consumer price index stood at 139.4 in August from a base of 100 in December 1992. Since the start of the year, the steepest rise has affected the price of services: Nearly 80 percent.

The seasonal autumn and winter surge of inflation started earlier this year, Mrs. Rangelova found. The main reason for this was the belated impact of the spring mark-up of water and electricity prices, whereas the more expensive heat power has yet to affect prices. The prices of the government-monitored staple foods keep rising. In the first half of September alone, pork went up 2.5 percent, flour over 4 percent, and dairy products 1.5 - 2 percent.

Mrs. Rangelova expects 3 percent inflation in September. If there are no political and economic factors which could have an additional impact, she does not expect the annual inflation to exceed 65 percent.

Klaus Airs Skepticism About Mediation in Bosnia

AU2009132493 Prague RUDE PRAVO in Czech 15 Sep 93 p 2

[Report by "de": "Klaus: One Can Only Act as Moderator in Bosnia"]

[Text] Prague—The role of a third party in the Bosnian conflict "can be at most, really at most, that of a moderator who invites people to speak. It cannot be the role of someone who comes up with his own solutions, conceived thousands of kilometers away from the scene of the conflict," Prime Minister Vaclav Klaus told the Radiozurnal radio station on Tuesday [14 September] when advocating bilateral talks. "I believe that no negotiations administered anywhere from above, bypassing the key parties to the problems and conflicts, can lead to a true solution," he said. "It is becoming apparent that the attempts of plans that are prescribed from the outside lead nowhere, regardless of their nature and of how well-intended they may be," he added. In his opinion, what matters even in the case of Bosnia is the intersection of interests of all parties involved, which must weigh up where they lose and where they gain.

Advocates Open Markets

AU1709113093 Vienna KURIER in German 17 Sep 93 p 9

[Report by Jana Patsch on "exclusive" interview with Prime Minister Vaclav Klaus in Brno; date not given: "Unlike Your Markets—Our Markets Will Remain Open"]

[Text] "Measures for the protection of the Czech economic sector? You will never hear that from me. Unlike the Austrian markets, our markets will remain open," stresses Prime Minister Vaclav Klaus. He adds that his government does not even discuss an introduction of import tariffs or punitive tariffs, which are being prepared in Bratislava, or import quota, which have been imposed by the Russian Government.

The Czech chief of government would rather like to strengthen consumers' awareness in his country: "The people buy imported goods only because they come from the West, even though the nationally produced goods are of equal quality."

This will now be changed by the "Buy Czech Quality" drive. Companies can have their products tested at their own expense. If they can prove that more than 60 percent of their production is nationally made, they are awarded the trademark "Czech made" for a year.

The first four "trade mark bearers" were presented to the public on the occasion of the 35th Engineering Fair in Brno—two brands of beer, an electric oven, and a digital measuring device. The testing commission has received another 100 applications.

Handing over the Czech-made awards, Klaus said his cabinet should also be awarded "in recognition for our financial policy." The Czech Republic will presumably be the only European country with a budgetary surplus at the end of the year. By 30 June, the budget showed a surplus of 5.6 billion kroner (2.24 billion schillings).

Vaclav Klaus is not only a vehement opponent of any protectionism in international trade relations. He also insists on equal conditions for all investors in the Czech Republic. How much he believes in a totally liberal market economy was demonstrated when he answered a question about how his government supports Czech entrepreneurs:

"For me, the market economy in the United States is particularly attractive, where according to statistics, 72 percent of the newly founded firms do not survive their first business year."

Klaus, Lux Involved in Another Policy Conflict

AU2009115993 Prague CTK in English 2116 GMT 16 Sep 93

[Text] Prague Sep 16 (CTK)—Agriculture minister and chairman of the coalition Christian Democratic Union-Czechoslovak People's Party (KDU-CSL), Josef Lux, today rejected the deliberate attribution of thoughts which were never articulated.

In a statement given to CTK by his secretary, Jano Blizkovsy, Lux reacted to today's declaration at a press conference by Czech premier and chairman of the Civic Democratic Party (ODS), Vaclav Klaus, in which he said he could reply to in just as strong or stronger words to Lux's media comments that the ODS' agricultural development programme was picaresque, but that the ODS was not going to retaliate.

Lux's statement today ran thus: Asked by a journalist from CESKY DENIK, 'what do you think about the ODS presenting an alternative agriculture programme to the government?' I replied that I consider it picaresque if any political party, including the ODS, puts their programme before the government. I firmly believe that this is the job of the functionary constitutionally responsible for the area in question, in other words the minister. I welcome all positive opinions which help to formulate the basic principles of agricultural policy more precisely, but permitting myself the responsibility so often invoked by many politicians, I reject the deliberate attribution of ideas which were not formulated in speech.

Dlouhy Comments on VW-Skoda Affair

AU2009164993 Duesseldorf HANDELSBLATT in German 20 Sep 93 p 15

[Report by Klaus C. Engelen on interview with Industry Minister Vladimir Dlouhy in Prague; date not given: "Prague Is Feeling Cheated and Duped"]

[Text] The cancellation of the trailblazing cofinancing package of 1.4 billion German marks [DM] for Skoda several hours before it was to be signed in London, reflects "such poor professional style from the Wolfsburg management that Volkswagen should not be surprised at the disastrous impact of its decision in the Czech Republic," said Czech Industry and Trade Minister Vladimir Dlouhy in a HANDELSBLATT interview with visible annoyance.

It is "unparalleled and outrageous" to invite the representatives of international finance institutions like the International Finance Corporation (IFC), a World Bank subsidiary, and 47 banking syndicates from all parts of the world to come to London, and to state several hours before that it was all in vain. The cancellation is also a blow to the European Bank for Reconstruction and Development (EBRD), which has done a lot to bring about the cofinancing package without public guarantees or the parent company's guarantees having to be utilized.

The Czech government is not the only one to feel "cheated and duped." Dlouhy: "We are going to hold talks with the people in Wolfsburg." However, Volkswagen chief Ferdinand Piech, with whom he talked on the telephone for about half an hour on 16 September, was unable to explain to him "why the decision (to cancel the cofinancing package altogether) had to come at this point and in such a brusque manner."

According to Dlouhy, the Prague government, in reacting to the Wolfsburg decision, did make a difference "regarding the objective requirements of adjustment to a changing car market, and the way the Wolfsburg managers informed all parties concerned of the sudden cancellation." Seen in this way, the Volkswagen management has puzzled all those who, like him, have worked for the success of the trailblazing VW-Skoda project. "They certainly cannot tell us they did not know earlier that they can make do with fewer credits," said Dlouhy.

The Prague minister, who in the competition between Volkswagen and Peugeot voted for Wolfsburg at that time, has a suspicion that may poison the climate between the German car giant, which is surrounded by scandal, and the Czech Republic as the host country for a long time to come: "We are asking ourselves today why the Wolfsburg managers gave our Trust Fund for Public Property so little time to prepare for the London signing. We protested the deadlines, but then we did what we could to get the necessary legal authorization of the Trust Fund in time for the signing of the package in London." Did the Wolfsburg managers intend to pass the buck for the failure of the banking deal to the Czechs, by giving the Prague government so very little time to prepare for the London signing of the package?

Dlouhy: "It is acceptable for the Wolfsburg managers to be concerned about overages at Skoda—as they have said in their official press release—and therefore to reconsider their expansion plans. It is also acceptable for them to believe that cost reductions regarding local manpower and component suppliers have decreased the planned finance requirements. But why did they not say so two months ago? Why did they change their mind last night? That is just crazy!"

According to Dlouhy, the Prague government will insist that despite the failed financing package, Volkswagen "fully stand by the commitment established in the agreement between Volkswagen and the Czech Republic in 1991. This means the improvement of the current Favorit model next year, the development and marketing of a new Favorit model by the year 1995, the development and marketing of a new category A Plus automobile by the year 1996, and starting the production of engines in the Czech Republic in 1998. If the Wolfsburg people, who will soon be principal shareholders of Skoda, arrive at the conviction that they need less than DM7.4 billion for these commitments, it is their own business. As an industry minister, I must insist that Volkswagen not change the contractual development strategy of Skoda."

Even though, according to Dlouhy, the acquisition of the majority of Skoda shares by Volkswagen is not in jeopardy following the most recent developments, it is obvious "that Skoda shares may be considerably damaged." Answering a question about whether and to what extent the financing scope for Skoda, which was suddenly reduced by DM1.4 billion, will have repercussions on the large number of Czech component suppliers, the minister is cautious. "Only after we have held detailed talks with Volkswagen, will we be able to assess any possible damage to the many component suppliers," says Dlouhy.

According to Dlouhy, the Prague government wants to make clear that "the decision made" by Volkswagen "overnight to cancel the billion-mark investment financing credit reflects VW problems and not problems with the Czech Republic as an investment location." This is also what the international finance institutions and the duped Western banks think. Dlouhy: "The failure of the trailblazing Skoda package will cause political damage not only to our country, but to the whole region. The way the Volkswagen managers canceled the deal is grist to the mills of those who criticize Western large-scale investment."

KDS Dissatisfied With Foreign Policy Coordination

AU1809165293 Prague CTK in English 1548 GMT 15 Sep 93

[Text] Prague Sep 15 (CTK)—The Christian Democratic Party (KDS) is still dissatisfied with what it sees as a lack of coordination in foreign policy between the Foreign Ministry, other ministries, the premier and the president, KDS Chairman Vaclav Benda told journalists today.

He said the KDS, unlike several Civic Democratic Alliance (ODA) leaders, did not believe that the Foreign

Ministry should be the sole creator of foreign policy. It saw the Foreign Ministry as more of a chief coordinator of foreign policy, which is also created at many other levels, Benda said.

He emphasised his party's view that relations between the Czech Republic and NATO were of high priority, and of the highest possible importance for the fate of the republic.

Although we share most of the opinions of the Premier Vaclav Klaus, who has been dubbed a Eurosceptic, we believe that Eurosceptism cannot be cultivated from outside, Benda said, adding that it was first necessary to aim for as close integration into European structures as possible before trying from within, and with allies, to change those policy elements which were not acceptable.

Adding to the current discussion about whether the state holiday on October 28, the day on which the Czechoslovak Republic was established in 1918, should be changed to September 28, St. Wenceslas' Day, the KDS said that October 28 was a day burdened by many ideals which could not now be subscribed to with integrity. Deputy Chairman Pavel Tollner said the holiday should change to September 28 because the St. Wenceslas tradition here was thousands years old. However, the KDS was not emphasising his religious side, but his role as a leader and historical figure, Tollner commented.

In connection with the debate on whether St. Vitus' Cathedral in Prague Castle should be returned to the church or remain a state-owned public monument, Deputy Chairman Miroslav Tyl said the KDS was very irritated by the tendency of the Civic Democratic Party (ODS) to place the historical spiritual role of the church in opposition to the role of the state. This was the remnants of a communist way of looking at the world, Tyl said.

Republic Asks UN for Change in Contribution

AU1809161293 Prague CTK in English 1835 GMT 15 Sep 93

[Text] Prague Sep 15 (CTK)—The UN Committee on Contributions rejected Czech and Slovak requests that the basis for their UN membership contributions be altered according to their status as independent states.

In a statement made today, the Committee on Contributions says that the decision follows the course taken in the case of the former Yugoslavia.

The Czech Republic and Slovakia are viewed as successor states to Czechoslovakia, whose contribution amounted to 0.55 percent of the UN budget.

The same percentage will now be made up of the Czech contribution, equal to 0.42 percent of the UN budget, and the Slovak one, equal to 0.13 percent.

Both states argued that a new basis for contributions should be worked out, reflecting their independent status.

The committee pointed out, however, that they described themselves as successor states to Czechoslovakia.

The two states said that formerly the communists, untruthfully boasting a successful economy, portrayed the crown as stronger than it actually was. Czechs and Slovaks said that their national currencies had to be devalued twice and that they had suffered economic difficulties. In addition, Slovaks have limited access to foreign currency.

The committee's proposal goes to the UN General Assembly for approval. If passed, Slovakia will rank alongside countries like Singapore, Croatia or Columbia, which contribute a similar percentage of the UN budget. The Czech Republic will compare with Belarus, India, or Poland.

The Czech Republic contributed 5.4 million USD [U.S. Dollars] in 1992, the whole of its planned contribution.

Meciar on Visegrad Four, NATO, Politics

LD1809083293 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 17 Sep 93

["Regular Weekly" interview with Prime Minister Vladimir Meciar by correspondent Vladimir Lach; place and date not given—recorded]

[Excerpts] [Lach] Prime Minister, nowadays, the talk is more and more often not about the Visegrad Four but the Visegrad Three. Such a term is used in this country, but signals to this effect are also coming from abroad in connection with an entry into NATO.

[Meciar] The Visegrad Four came into being as a result of a decision taken by three partners, one of which later split into two, that is into the Czech and Slovak republics. The Visegrad Four continues to remain in joint partnership in seeking integration into Europe, into the European Communities. The question of NATO and an integration into NATO is something different. In this respect no one talks about Visegrad Three. Nonetheless, it is true that talks are being conducted regarding what timetable under which such an integration will take place, and at which stage of preparation individual states are. The territorial functions that each state has to fulfill are known to me personally; this matter has not however, been concluded.

A debate is going on abroad about Slovakia in particular. Shortly, such a debate will be also conducted about Poland, as well as Hungary. To say that this matter has been concluded would be precipitate to say the least. There will therefore, be a debate about NATO, as well as a discussion about the degree of the preparedness of individual states for such an entry. We are doing everything to be prepared, at least to the same level as other countries.

[Lach] Foreign countries assess us in accordance with the political stability in the country. In this connection, how do you assess the current internal political situation and pressures coming from some journalistic and public circles, whether these pressures are against your person, or the manner in which you are discharging the office of the prime minister. For instance Frantisek Miklosko, deputy chairman of the Christian Democratic Movement, voiced the view that Prime Minister Vladimir Meciar was becoming more and more isolated.

[Meciar] Why should I comment about what these people say? These are their personal comments made in public. Let them talk. Mr. Miklosko has already said a great deal.

Regarding the pressures on the government and on myself, these have existed for a long time, as far as I know, since the run to elections in 1990. Therefore, this is nothing new. Only their fury has increased. They come mostly from the same people who already held offices of state and failed in them. Now they want to make a comeback and prove that they were good in their posts, although they were not. Therefore, to comment about such pressures will be futile. If anything makes me nervous it is only the fact that tension is growing on the Slovak scene. Tension is growing, the aim of which is not to tackle factual problems, but to confuse citizens, disparage our state abroad, and confuse the Deputies' Club. What is happening, the outside pressure against the Deputies Club of the Movement for a Democratic Slovakia [HZDS], is after all not normal—disparagements, undermining certainty, questioning, introducing untruthful information.

Notice however, that the majority of the media are working for the benefit of these outside forces. To say that the political scene in Slovakia is not stable is not however, the right way to describe it. It is necessary to say that the other side's individual representatives are not satisfied personally, and they are increasingly doing things to get their own personal satisfaction. This would be a better way to characterize this scene, and this is why they are becoming more and more radical, and this is why they use invectives. The development can be foreseen and controlled, and in general things are altogether rather different.

[Lach] The opposition claims that it is becoming more united in certain areas and that they are attacking—to use a sporting term—your goal. On the other hand, there is a rumor that a social democratic wing is forming within the HZDS. To what extent will the HZDS republican leadership tackle these matters at its meeting tomorrow?

[Meciar] The opposition has united itself on two fundamental policy items. Their first policy aim is to turn everybody against Meciar; they have become united on this platform. The second one is to be against the HZDS. The fact is that the HZDS, by occupying a central position, is a markedly stabilizing factor in Slovak politics.

This does not make it possible for them to develop certain activities. This is why they are seeking them to the detriment of the HZDS, and this is why they question it.

When we came into existence as a movement, I characterized it as existing of three currents—national democratic, liberal democratic, and social democratic. The national democratic program of the movement has been implemented. Although it has not been completed totally in essence, it has been implemented. Logically therefore, this group of national democratically-oriented politicians have reoriented themselves toward those two groups that have had a clear cut profile from the beginning. If someone has discovered these two groups now, well I already discovered them in April 1991. This is nothing new, and these two groupings cooperate with each other, and in my view coexistence between liberals and social democrats, within one political spectrum, provides a guarantee of a strong party or movement. [passage omitted]

[Lach] It has been reported this week that an agreement has allegedly concluded between the HZDS and the Party of the Democratic Left [SDL] in support of the government.

[Meciar] We declared publicly that we agreed to maintain mutually political culture. We shall put an end to petty quarrels and the HZDS will cease to fight the SDL, persons will cease to fight each other, and we shall begin to tackle real problems. At the same time, we said that our agreement is open ended and that all other parties can sign up to it. Therefore, we have mutually buried the hatchet, and an agreement has been concluded to that effect. However, we do not have an agreement on cooperation in the right sense of the word for the future. [passage omitted]

Government Denies Tension Between Meciar, Kovac

AU1709113293 Bratislava NARODNA OBRODA in Slovak 14 Sep 93 p 2

[TA SR report: "Statement by the Press and Information Department of the Slovak Government Office on the Resignation of Rudolf Filkus"]

[Text] Bratislava— The Press and Information Department of the Slovak Government Office yesterday requested that the TA SR publish the following statement:

The Press and Information Department of the Slovak Government Office has been authorized to assume a stand on the statements made by Rudolf Filkus to the media today, after his call on President Michal Kovac, in the company of Minister of Foreign Affairs Jozef Moravcik, during which President Kovac accepted his resignation as ambassador to Austria. We identify with his reply to the question put to him in yesterday's Radio Journal Extra program "whether it is common diplomatic practice to convey views through newspapers, whether it is not more common to use a diplomatic dispatch [depesa] to convey someone else's view."

The reply was: "You could be right, I believe that both possibilities exist. We provide information of this kind daily in the form of a press survey and in the form of dispatches, but it is possible, and I concede it, that we made ourselves guilty in a certain way by opting for this form. It is possible; I did really supplement information conveyed through diplomatic channels in this way. I accept it, I simply accept that rebuke."

In this context the Press and Information Department of the Slovak Government Office takes the liberty to call attention to the fact it is not customary in diplomatic practice for a diplomat to have the right to assess and compare the political system of the country in which he serves in the press of his own country, as Mr. Filkus did, for example, in his interview for the 29 August 1993 issue of NARODNA OBRODA. This principle is being observed very strictly in diplomatic practice.

The Press and Information Department of the Slovak Government Office emphatically protests against statements by Mr. Rudolf Filkus, in which he is trying to place the president of the republic and the prime minister in a position of antagonism. The Press and Information Department of the Slovak Government Office has been authorized to declare that the prime minister of the Slovak Republic is not aware of any disputes and tension with the president of the Republic. This is demonstrated by the fact that the president accepted Mr. Filkus' resignation as ambassador to the Republic of Austria. According to information that the Press and Information Department of the Slovak Government Office obtained from official quarters, had Mr. Filkus not tendered his resignation yesterday, the president of the republic would have recalled him from the post of ambassador to the Republic of Austria.

Hungary Asked To Explain Talks With Ethnic Leaders

AU1709115793 Bratislava NARODNA OBRODA in Slovak 15 Sep 93 p 2

[TA SR report: "How Will the Hungarian Side React?"]

[Text] The Slovak Ministry of Foreign Affairs has issued a statement on the coordinating meeting with Hungarian Prime Minister Jozsef Antall held on 10 September [in Budapest] at the request of "the supreme organizations representing the interests of Hungarians abroad," which was attended by [Coexistence Chairman] Miklos Duray and [chairman of the Hungarian Christian Democratic Movement Club of Deputies] Pal Csaky. The statement, which was made available to the TA SR, states that the ministry has asked the Hungarian side for an explanation through the Slovak Republic's representative office in Budapest. The justification is not acceptable that the meeting's objective was to coordinate a joint approach toward the plan of French Prime Minister Edouard Balladur for the solution of ethnic problems in Europe. The Balladur plan is addressed to governments and not to political parties. The Slovak Ministry of Foreign Affairs perceives the meeting as casting a certain doubt on the effectiveness of the recently established mechanism of consultations between the two countries and as excluding standard forms of addressing problems.

Cernak on Ethnic Hungarian Leaders' Activities

AU2009113093 Bratislava REPUBLIKA in Slovak 15 Sep 93 p 3

[TA SR report: "Tension Is Being Provoked by Politicians"]

[Text] "While visiting Velky Krtis district last weekend, I met with many citizens of Hungarian nationality who said that they lived in harmony and accord with Slovaks in towns, villages, and at places of work." Slovak National Party [SNS] Chairman Ludovit Cernak said yesterday.

Artificial tension is being provoked by representatives of Hungarian parties and movements, who constantly raise new demands and, moreover, present them to international forums. According to Ludovit Cernak, these politicians are not interested in cooperation and in a constructive solution to problems but in increasing pressure on the Slovak Government and parliament.

"The demand for so-called ethnically pure borders is unrealistic in Slovakia because all areas inhabited by members of ethnic minorities are inhabited also by Slovaks," Ludovit Cernak said. He considers [Coexistence Chairman] Miklos Duray's statements to this effect extremely inappropriate and not representative of voters' views.

"What do statements, such as that made by the mayor of Marcelova [who recently blocked access roads to the village in protest against the removal of Hungarian-language road signs] that he would respect only good laws, actually mean?" Ludovit Cernak continued. After all, it is not up to a mayor to assess whether some law is good or bad. In a state based on the rule of law, laws must be observed by all citizens. Actions such as those only whip up passions and border on playing with fire.

In this context Ludovit Cernak expressed the hope that bodies involved in criminal proceedings would start dealing with the aforementioned activities of some representatives of Hungarian parties and movements in Slovakia. Our legislation allows for the criminal prosecution of people who damage the Slovak Republic by their statements.

Hungarian Ethnic Leaders Address Letter to Kovac

AU1709202993 Bratislava REPUBLIKA in Slovak 16 Sep 93 pp 1, 2

[Report by Roman Kalisky: "Gauntlet Thrown to Slovak President Michal Kovac; Bugar, Duray, Nagy, Popely, and Csaky Write to the Castle"]

[Text] Bratislava—When Slovak President Michal Kovac decided to organize a roundtable on the ethnic minority issue, he was, unquestionably, going as far as he could to accommodate, in particular, the pressure group of Hungarian politicians in Slovakia. While calling the roundtable meeting, he, at the same time, voiced the serious warning that "creating an atmosphere of distrust and generating pressure and nervousness does not contribute to improving relations within the state and, in the final analysis, delays the solution to problems."

In a letter to the president, which the TA SR published yesterday, the undersigned participants in the second roundtable meeting on ethnic minority issues, held on 2 September 1993 at Bratislava Castle—Bela Bugar, chairman of the Hungarian Christian Democratic Movement [MKDH]; Miklos Duray, chairman of the Coexistence movement [ESWS]; Laszlo A. Nagy, chairman of the Hungarian Civic Party [MOS]; Gyula Popely, chairman of the Hungarian People's Party [MLS] and chairman of the ESWS Club of Deputies in the National Council of the Slovak Republic [NRSR]; Pal Csaky, chairman of the MKDH Club of Deputies in the NRSR; Gyozo Bauer, chairman of Csemadok [Hungarian cultural association]; and Gabriela Lovazsova, entrusted with the management of the ZMPS [expansion unknown]—do, admittedly, express their agreement with the president's view but, at the same time, they assign to him "homework" when they write:

"At the same time we express the conviction, however, that, should the president, in the near future, publicly present his ideas on a positive policy on ethnic minorities, in which he would, on the one hand, endorse European norms and the Council of Europe recommendations for the Slovak Republic and, on the other, dissociate himself from some hasty steps of the state administration, this might significantly contribute to improving the atmosphere."

To publicly endorse European norms and to dissociate oneself (from whom, from the government?)—that is, I believe, too much to stomach even for a statesman and man as circumspect as Michal Kovac. Not they, the kindlers of fire, but he, the president, should contribute to improving the atmosphere!

So as not to be accused of quoting from the letter to the president tendentiously, we publish also its other substantial and characteristic parts:

"The course of the second roundtable meeting, where we bore witness to the negative stand of the relevant Slovak Government departments on the suggestions put forward, was a certain disappointment for us.

"In this connection we would like to point out that we consider the proposed time frame of three months, within which your group of experts is to assess the suggestions put forward by representatives of the ethnic minorities, to be needlessly long. We realize that the results of the work of this group will be known only immediately prior to the December verification of the implementation of the Council of Europe recommendations and, therefore, they will assist neither you nor the roundtable in searching for timely and optimal solutions. We acknowledge the fact that the formation and composition of this group of experts is within your jurisdiction. We cannot, however, suppress our disenchantment with the one-sidedness of views and a certain negativist attitude of some members of the group toward the problems being assessed. In the interest of making the work more flexible, we recommend that the results of the experts' report be submitted directly to the roundtable and not to another body of consultants."

In other words, Mr. President, even though we respect your right to appoint a group of experts, its composition is not to our liking and, therefore, let there be no further consultants but let us discuss everything directly at the roundtable!

And, finally, the most important part of the letter:

"Esteemed Mr. President:

"We are confident that our constructive proposals will meet with your understanding and positive response and that, at the end of September, on the occasion of the visit by CSCE High Commissioner for Human and Minority Rights Van der Stoel, we all will be able to report on a positive shift in the solution of minority rights and in the status of minorities in the Slovak Republic."

These sentences are nothing but an overt warning: If you do not publicly fulfill our ideas, proposals, or demands (these are notoriously known at home and abroad!)—not in three months, but immediately—we are going to complain even about you, on whom we have relied thus far.

I cannot help but conclude by writing: I think that even the tolerance and patience of President Michal Kovac has its limits. Someone has flagrantly exceeded them.

Duray Denies He Seeks 'Greater Hungary'

AU2009125593 Bratislava PRAVDA in Slovak 17 Sep 93 pp 1, 11

[Interview with Coexistence Chairman Miklos Duray by Martin Krno; place and date not given: "The Mysteries of a Fictitious Homeland; With Miklos Duray on a Speech That Has Exasperated Slovakia"]

[Text] One excerpt from the speech delivered by the chairman of the Coexistence movement on the eve of St. Stephen's Day in Vac has evoked [Slovak] fears of [Hungarian] nostalgia for the renewal of Hungary in its pre-1918 borders. Hardly anyone in Slovakia remained indifferent in the face of words about building a new homeland, in which millions of Hungarians would find their place who have for three generations lived outside Hungary. After his return from abroad, we asked Miklos Duray for a comment on this affair.

[Duray] When I compared the part of the speech, the translation of which from the Hungarian daily SZABAD UJSAG was presented at the Movement for a Democratic Slovakia [HZDS] briefing, I ascertained that it was in accord with the original text. I only regret the fact that journalists were not provided with the complete text because, after reading it, you would have grasped the intention of my words quite unequivocally.

[Krno] Could you tell us what the main idea of the speech was?

[Duray] Owing to political overtones, Slovaks have a different idea of St. Stephen than Hungarians. At the turn of the first and second millenniums, King Stephen established a state of the European type. He also established its new ideological mainstay: the church. He was extremely successful in accomplishing those tasks—after all, leaving aside the period of Turkish occupation, Hungary operated for 900 years. I compared the era of King Stephen with the present. He, too, had to overcome enormous social, political, economic, and ideological changes. We all would need today similarly far-sighted and resolute politicians.

[Krno] And what about the part of the speech that has caused indignation in Slovakia?

[Duray] I focused on the status of Hungarians in Central Europe, irrespective of whether they live in Hungary or outside. I spoke about the need to build the edifice of a new homeland. I would like to call attention to the fact that the term homeland should not be identified with the state. One's homeland can be fictitious, it belongs more to the emotional sphere. The state is a specific organizational form.

[Krno] A fictitious homeland—that sounds rather mysterious. Do you have a more specific idea of it?

[Duray] There are people who, culturally, are affiliated to a different region than the one in which they physically live. Their idea of the homeland is different from those who are citizens of the state, in which the majority of members of their nation lives. In my opinion, it is necessary to work out a new understanding of the terms homeland and nation. A nation that does not inhabit the territory of a single state can be united culturally, but not politically. When we accept this premise, then we will understand the Hungarian nation as one that is politically federal but culturally united. As soon as we arrive at this conviction, we will overcome the tension arising because one part of the nation lives separated from the majority.

[Krno] How do you intend to proceed in building the new homeland?

[Duray] We have submitted to the Slovak parliamentary parties a proposal that could be the first step toward such a project. Under this project, ethnic Hungarians would become equal partners in the building of the Slovak state. If a partnership is formed, the political unity of the Slovak Republic will be strengthened.

[Krno] Did you discuss this project at the recent Budapest meeting of representatives of Hungarian ethnic minorities in central Europe?

[Duray] No.

[Krno] Do they all share the same views regarding the building of their new homeland?

[Duray] These ideas have been taking shape since the fall of communism. Until then it was not possible, and necessary, to discuss these issues. In the interest of calm in Central Europe, we must arrive at a different understanding of terms than in the 19th century.

[Krno] But many people understand your speech at Vac as demonstrating the intention to create "Greater Hungary." Could you state quite clearly that this is not your aim?

[Duray] Had you read the entire text of the speech, this question would not have even occurred to you.

[Krno] Are you convinced that the majority of Hungarians living in our republic do not consider Slovakia their homeland?

[Duray] Unfortunately, I must say that the great majority of them have not acquired this feeling. Hungarians in Slovakia are pragmatic, however. Leaving aside a negligible minority, everyone considers the status quo unchangeable. However, within the framework of the status quo they would like to see changes in their legal position. One of the ways of achieving this is not only for Hungarians, but also for other ethnic communities, to get into a different relationship with the Slovak nation than the relationship between a majority and a minority.

[Krno] You speak about calm in Central Europe. Do you think that you contribute to mutual understanding between Slovaks and Hungarians by policies such as, for example, the constant writing to the Council of Europe with complaints?

[Duray] It is our right to turn to this institution even in less serious matters. Where important matters are involved, it is even our duty. It was only after we sent a letter to Strasbourg that [Foreign] Minister Moravcik invited us to a discussion. This will be our second meeting with government representatives after the founding of the independent Slovak Republic. The first meeting was held after Mr. Moravcik's return with comments from the Council of Europe meeting in early June. Since January 1993, we have made a number of requests to be received. But when the government refuses to hold talks with us, as the legitimate representatives of a certain community, we are forced to choose a different method.

[Krno] Does that mean that you will continue exchanging letters with Strasbourg as long as the government does not meet your demands?

[Duray] Slovakia's territorial reorganization is now being prepared. We have submitted our own concept, stressing that the government's proposal is unacceptable to us. This issue was even partly included in the protocol issued on the occasion of Slovakia's admission into the Council of Europe. In spite of this, the government is, once again, asserting its own original ideas. If it again refuses to discuss with us the new territorial arrangement, we will have no choice but to write to Strasbourg.

[Krno] What is the fate of your last letter?

[Duray] The Council of Europe does not usually react to such initiatives directly. At the most, they will confirm receipt of the letter. The Council of Europe will itself choose the next steps.

[Krno] Deputy Anton Hrnko said recently that behind the activities of some representatives of Hungarian parties in Slovakia was revenge for the sentencing of their parents after the war as collaborators with Szalasy. For the time being, Hrnko does not want to publish their names, however. Could you reveal those names?

[Duray] I do not know anything about this.

[Krno] It was suggested at the briefing of one political party that the time has come to publish your criminal record from the years 1983 and 1985. Do you figure in the police records?

[Duray] No, I do not. The police records only include court verdicts that had acquired the full force of law. Although I was on the verge of it, I have never actually been sentenced.

[Krno] Were you not surprised by the results of the recent public opinion poll, which showed that only 8 percent of the Hungarian population in Slovakia has confidence in you as a politician?

[Duray] In the 1990 parliamentary elections, I finished second within the framework of Slovakia in terms of the number of preferential votes. In last year's elections my name was circled by almost 70,000 citizens. This alone is more than 8 percent of voters of Hungarian nationality.

Minister Submits Defense Bill to Assembly

LD2109101893 Budapest Kossuth Radio Network in Hungarian 0900 GMT 21 Sep 93

[Text] The National Assembly is currently debating the Defense Bill. Krisztina Antalffy reports from the Assembly building.

[Antalffy] The government's Defense Bill does not regard any country as an enemy. It respects other states' independence and refrains from any kind of threat, the defense minister [Lajos Fur] emphasized. Submitting the new law and the related draft amendment to the constitution, Lajos Fur said that in the new circumstances the law currently in force, being patched, can no longer fulfill its task. In addition, defense is such a complicated system of relations that it requires the creation of a new law.

It transpires from the minister's submission that during the preparatory six-party talks, an agreement was reached on most key issues. He said that the proposal extends the National Assembly's rights for guidance, slightly extends the sphere of authority of the president of the republic, and, at the same time, regulates the government's tasks and opportunities in emergency cases.

The bill terminates women's compulsory military service and decreases the term of unarmed conscript service as well as reserve military service.

Jeszenszky Interviewed on Treaty With Romania

AU2009170793 Budapest MAGYAR HIRLAP in Hungarian 18 Sep 93 p 3

[Report on interview with Foreign Minister Geza Jeszenszky by Tibor Bogdan in Bucharest; date not given: "Everyday Practice Will Be the Test of Negotiations—The Border Issue Is A Trap Invented by Others"]

[Text] The border issue is not the test of the Hungarian-Romanian basic treaty, because this is not a problem, but a trap invented by others. Actually, the national minority issue is unsolved, and I hope that it will be settled soon in the spirit of my talks here—Geza Jeszenszky declared in his interview given to MAGYAR HIRLAP during his official visit in Romania.

Geza Jeszenszky told us that, at his talks with Romanian President Ion Iliescu on 16 September, his host mentioned that he had been urging a high-level meeting for a long time, and he also mentioned the Israeli-Palestinian agreement, insisting on the importance of such meetings. In his answer, Jeszenszky said that the Romanian-Hungarian relations had never been so tense as Israeli-Palestinian relations and Romanian-Hungarian relations would never be so tense either but, for Arafat and Rabin to meet, both sides made important compromises.

"I think we had most meetings with the three Romanian foreign ministers; at various international forums we also held formal talks, in addition to informal corridor encounters"—Geza Jeszenszky said and pointed out that he regarded this visit to Bucharest as timely because there was hope for solving a series of issues, and the settling of some problems, such as the situation at the border crossing points, became urgent.

At the talks, also followed with particular interest in Bucharest, Jeszenszky also pointed out more clearly than ever what he regards as necessary insofar as the predicament of the Hungarian minority living in Romania, and he pointed out that all this was required by international development.

"The Romanians often say that international law has priority over domestic law. If that is so, I think it is not difficult to include international expectations in the domestic law. I also find it important that if we in Hungary restore the damaged legal order and private property, then Romania must also do the same. One should not forget that centuries-old Hungarian educational and scientific institutions functioned here, and the church had lands from which it could operate schools. Naturally, this has not only national minority aspects, but this step is also vital for the Hungarian national minority: Whether ethnic Hungarians choose to get out or whether they see their future here hinges on this"—Geza Jeszenszky pointed out.

Geza Jeszenszky regarded as antiquated the concept mentioned by President Iliescu during their meeting, namely that one should not make use of the national minorities to interfere in a country's internal affairs. People no longer say such things in Europe; on the contrary, the national minority issue is an object of justified examination by the international community, and representatives of national minorities should be asked about settling their status in accordance with European norms. Jeszenszky added that he was glad to see that both Foreign Minister Melescanu and President Iliescu confirmed that Romania accepted European norms and proposals regulating the national minority rights.

Asked about his reaction to the declarations made by the Hungarian Justice and Life Party, namely that he must resign if he signs a document with Romania similar to the Hungarian-Ukrainian basic agreement, Geza Jeszenszky declared that if those deputies doubt that he absolutely represents the interests of the Hungarian nation, this probably is also due to the fact that these people did not receive adequate information about this issue. "The results will show what kind of agreement we sign"—Geza Jeszenszky pointed out. If Romania comes up with a good law on national minorities and this law is also asserted in everyday practice, it will be easy to include guarantees for the protection of national minorities in the aforementioned agreement also—Geza Jeszenszky said and then declared that he had become acquainted with excellent partners among the various party leaders and parliamentary deputies here. However, everyday practice will be the real test of our negotiations here.

Editorial Comments on Talks

AU2109091693 Budapest NEPSZABADSAG in Hungarian 20 Sep 93 p 3

[Editorial by Tibor Kis: "On the Minefield"]

[Text] [Foreign Minister] Geza Jeszenszky's visit in Romania is actually a success, even if it seems that the visit is rather poor in tangible results. We must actually measure the importance of the visit mainly in the gestures.

Given the relations between the two countries, the very fact that a responsible politician from Budapest is making a tour of the Szeklerland and exchanging unhindered views with the representatives of the Hungarian minority there and is visiting Hungarian historical memorials is a great event. In this respect, the visit has definitely eased emotional and historical tensions, and it would be a pity to underestimate the psychological effects of all this. Obviously, both sides share the merit in all this: One side accepted and acknowledged the situation in a civilized way, and the other side carried out this sensitive mission with adequate dignity and sense of proportion.

Evaluating the negotiations themselves is much more difficult than this. For the time being, the mysterious veil surrounding the talks makes it difficult to see clearly.

Obviously from current political considerations, both sides tried to present as possible things that experience shows to be contradictory. The basic condition of Hungarian-Romanian relations is that they are bad, practically irrespective of time and regimes.

Anyone who wants to change this situation must be aware of the fact that he is walking on a minefield. Neither can one forget that not simply fate, but also the historical trap situation and a multitude of objective causes greatly contribute to the fact that, despite their interdependence, Romanians and Hungarians are incapable of performing a mutual handshake. We Hungarians are also inclined to disregard this and are glad to blame the "clinging to last century's idea of a Romanian national statehood" for the whole bankruptcy accumulated in the course of many decades. However, have we considered the great storm it would cause in Parliament if the deputies had to vote on a "Ukrainian-type" Hungarian-Romanian basic treaty, one that confirms the current borders? Can one expect the approval of such a formula with a clear conscience while Romania is treating the Hungarian minorities in the way it has been treating them almost constantly since its birth?

This is a serious dilemma facing the Hungarian foreign policy, and it probably will continue to be such a dilemma for some time. At the moment, it is difficult to envisage any modus vivendi that could help solve the heavy question marks. However, one thing is sure, namely that the time has come to finally do away with some illusions, like the one that the West automatically takes the Hungarian side in the Hungarian-Romanian conflict. We can see that this is not what is happening. Whether we like it or not, Romania's international status is expected to be the same as Hungary's soon: associate membership in the EC and full membership in the Council of Europe.

Perhaps it is not a bad thing that things have taken such a direction, because this situation indeed carries a lot of new opportunities. Perhaps these things were already flickering in the eyes of the Hungarian foreign minister when he mentioned the example of the German-French and the Palestinian-Israeli rapprochement during his talks in Bucharest. Hopefully, the decisionmakers in Budapest and Bucharest will conclude from the aforementioned analogies that rapprochement needs more than nice words and emotional gestures of great effect. These are also needed, but small and firm steps are needed even more. They must realize that placing the first pillar is the most difficult thing in the process of building contacts, because this pillar is called confidence building.

We would like to believe that there is a little more confidence now that there was before the foreign ministerial talks.

Interior Minister Views Election Chances

AU2109105093 Budapest NEPSZABADSAG in Hungarian 18 Sep 93 pp 1, 4

[Interview with Interior Minister Peter Boross, deputy chairman of the Hungarian Democratic Forum, by Laszlo Rab in Zalakaros; date not given: "Boross: First of All, We Are Not Afraid—Rather Than Frightening People, the Minister Only Makes Predictions"]

[Text] If we do not win, but a stable government happens to be established, this will have to be acknowledged by everyone with a bow of the head, Peter Boross replied to our question in Zalakaros after opening the new police unit. In his speech at the inauguration, Boross described public order as a basic pillar of democracy.

After the news conference following the inauguration, Boross emphasized that in opposition political circles, it is often said that the government is incapable of performing its duties and is leading the country to bankruptcy. He recalled that he had recently said: Considering the current state of the opposition parties, he finds it difficult to imagine that it would be capable of governing.

[Boross] If people say that I am scaring people with this, my reply is that I am only making predictions just as the opposition has been doing since 1990.

[Rab] Do you think that the reactions to the possibility of new elections in 1995 were so strong because, through this, you predicted the failure of all election results other than that of the Hungarian Democratic Forum [MDF]?

[Boross] If someone were to read the election theses of the Hungarian Socialist Party [MSZP], he could see how much they resembled the former central committee resolutions.

Why could people who know about the conflicts between the hard core and other groups of the Alliance of Free Democrats [SZDSZ], and who are aware of the relations between the Federation of Young Democrats [FIDESZ] and the MSZP, not come to the same conclusion? When I made my prediction, I started from the premise that the current governmental form and style is the most suitable for the mentality of the Hungarian public. It is in the country's interest that this spiritual and moral trend should gain a chance of governing even after 1994. Naturally, if the election results are unfavorable for us, I would acknowledge this because I am in favor of parliamentary democracy.

[Rab] In order for the opposition alternative to fail in 1995, the MDF and its coalition partners will have to lose the next elections. This raises a strange question: What are you more certain about, that the MDF will lose the elections or that the government that steps in the MDF's place will fail?

[Boross] I trust that the MDF will gain a majority together with its current coalition partners next year. My prediction referred to the unlikely situation of this not happening.

[Rab] If the MDF finds itself in opposition, I believe that you will do everything you can to make the government fail.

[Boross] My opinion is that it will fail anyway. I would of course put it more mildly than you: I would not do everything to make it fail. I am aware of the ideas that can be seen on the other side. I am not aware of any programs. I cannot see the election theses—a bunch of promises—issued by the MSZP as a program. It is difficult to harmonize the ideas of the liberal left wing and the socialist left wing and, at the same time, they are expected to form a coalition. The personalities and especially the person chosen to be prime minister are very important in a coalition. I am concerned even at this point, lest the election results be unfavorable to us. This is my view. If someone started to speculate that I would do something aggressive to make us win in 1994, then I have to refute this.

[Rab] Does this mean that the essence of your prediction regarding 1995 was that you consider the power of the opposition so weak that you do not give them more than a year in power. Is this what you meant?

[Boross] It would be so difficult to change the current opposition into a force capable of forming a government that it would not be able to serve a term. However, let me say that if we do not win and, nevertheless, a stable government is formed, then everyone will have to accept this. In this case, I would not be bitter, either. In eight to 10 years' time, it will be natural for the government forces to alternate at each term but the country is at stake at the moment because we are at the very beginning of a period of transformation that is to last much more than four years.

[Rab] Is it by accident that Lajos Fur also spoke about a left-wing "danger" in Rome? Do the MDF politicians, including you, fear a left-wing breakthrough?

[Boross] First of all, we are not afraid. However, it has to be known that Hungary was led by a left-wing government for decades. In the successor states of the Soviet Union there is a big danger of the restoration of the old system. Hungary also has party formations that do not need democracy. Latently, the left-wing danger is constantly present in this part of Europe. A person who underestimates this danger forgets about the historical and geopolitical lessons.

Free Democrat Leader Views Chances of Budget

AU2109113393 Budapest BESZELO in Hungarian 18 Sep 93 pp 10, 11

[Interview with Gabor Kuncze, parliamentary group leader of the Alliance of Free Democrats, by Ferenc Koszeg; place and date not given: "It Is Important for the Political Forces To Be on Speaking Terms With One Another"]

[Excerpts] After almost five years, the Alliance of Free Democrats [SZDSZ] has a prime minister designate. The selection of Gabor Kuncze (which still has to be confirmed by the National Council) was preceded by predictions, and the guessing will obviously not be ended by his selection: Does the fact that the party that developed from the democratic opposition placed a "new man" at the top of its electoral list mean a new face, a new image, or perhaps new politics? Gabor Kuncze thinks that neither the party nor he will change. [passage omitted]

[Koszeg] Before the debate on the supplementary budget, you made a statement that later proved to be very accurate. The media then somewhat exaggerated the chances of the government being defeated at the voting. You said that the government would only get into a really dangerous situation at the debate on the 1994 budget. However, the supplementary budget was comfortably accepted, but the government majority has shrunk to a minimum level by now.

[Kuncze] I still maintain that voting for the budget will be the real test for the coalition. The Christian democrats are visibly trying to slip away from the responsibility that they should bear for the work of the past three years in government. As the elections are coming closer, the government deputies are becoming increasingly uncertain whether they should accept a budget package that contains unpopular measures. At the supplementary budget, it was still predictable that the deputies that had left the Hungarian Democratic Forum [MDF] would vote with the government out of some kind of loyalty. This cannot at all be taken for granted now. Finally,

although I do not think that the opposition helped the government at the voting for the supplementary budget, it is a fact that very many opposition deputies were absent. Some 90 percent of the SZDSZ deputies and a much smaller proportion of other opposition parties were present.

[Koszeg] Very few people from the Federation of Young Democrats [FIDESZ] were present, but BESZELO has found out that almost every one of them had a valid reason, most of them were abroad.

[Kuncze] I have also inquired and found the same. This is why I say that the opposition did not help the government through its absence but this is how it happened. However, voting for the next budget will take place at such an important time when the opposition will not be even able to allow the emergence of suppositions that it is helping the government through its absence. At the end of the year, all deputies of the opposition parties will have to participate in the voting. This is what the SZDSZ will attempt: There will not be any foreign trips or justifiable absences. All in all, the government's position is completely uncertain, therefore, I continue to say that there is a very big chance of the government's being defeated at the voting on the 1994 budget.

[Koszeg] It is clear that the opposition does not want to help the government. However, what is better in the SZDSZ's view, governing with a minority or immediately calling elections?

[Kuncze] If Parliament votes against the budget, this means that it does not accept the government's economic policy. The budget is Parliament's most important law. Therefore, if the government does not get confidence on this, then it will not have a moral basis to continue governing, and it has to resign. In this case, it is expedient to call elections. I do not think that it is in the country's interest for a government that does not have a parliamentary majority, which no longer enjoys the population's support, and whose activities have rather negatively contributed to the current situation, to continue in office for a few more months.

[Koszeg] However, the right-wing opposition that recently left the MDF has assured the government of its support. Naturally, the question is what they want in exchange for their support. Will this mean that the center right will again yield to the extreme right and the aggressiveness of the right wing will again increase?

[Kuncze] This is a possibility but I do not think it probable. I believe that the aggressive right wing does not have real support in this country and the elections will justify this supposition. I also think that the MDF will not follow the route that has been taken by the extreme right.

FIDESZ Chairman Criticizes Socialist Party

AU2009152493 Budapest NEPSZABADSAG in Hungarian 18 Sep 93 pp 1, 4

[Interview with Viktor Orban, chairman of the Federation of Young Democrats, by Istvan Tanacs in Szeged on 16 September: "Orban: The MSZP Is the Loser of the Agreement With the SZDSZ"]

[Text] The Hungarian Socialist Party [MSZP] is the loser of the agreement we made with the Alliance of Free Democrats [SZDSZ] because, due to the Hungarian electoral system, only a party that can find a partner in the second round has a chance. The agreement deprives the socialists of this, Viktor Orban, chairman of the Federation of Young Democrats [FIDESZ] said at an open forum in Szeged on 16 September.

According to Orban, the MSZP's politics is pragmatic and hypocritical: To the electors, it pretends to be the firmest opposition party while it does not remove those people from the party who are even willing to sit at the same table with brown-shirts and slander the liberal parties and liberal democracy. If the socialists make an internal agreement in the party with such people then all this is a well thought-out tactic and [MSZP Chairman] Gyula Horn's statement that honest people, toward whom they must become open, also exist on the right wing is part of this tactic.

In reply to the question whether it is possible that the country will become ungovernable after the elections, Orban said that it is possible that balanced forces are elected to Parliament that are unable to agree with each other. Stumbling from one government crisis to another is just as possible as a stable, four-year government.

After the forum, our Szeged correspondent interviewed Orban.

[Tanacs] Do you seriously think that Matyas Szuros went to the Szarszo meeting and that he has not been expelled from the MSZP because, through him, the MSZP wants to open to the extreme right?

[Orban] They want to open to the right and they can only do this with Matyas Szuros. For us, the risk of this tactic is that this is not a simple opening to the right because, in my view, it can easily slip into an opening toward the Pozsgay-Csurka circle. In my view, this is a well thought-out step in the sense that the MSZP, like other parties, would not like to do without the votes of those who voted for the Hungarian Democratic Forum [MDF] in 1990 but are now hesitating. The MSZP would like to become popular with this group by showing some popular-national politics. This is a clear and understandable intent and Matyas Szuros is the man for the job.

[Tanacs] Supposing that this is so, to what extent is it possible to see it as a consequence of the intent—that was embodied in the liberal pact—to exclude the MSZP and to prevent it from making alliances?

[Orban] Pressures do exist in politics. Which pressure a party yields to depends partly on circumstances and partly on the party's moral strength and good taste. I find it difficult to imagine a difficult situation when, for various reasons, others do not want to cooperate with FIDESZ and it decides to sit down at the same table with people who are characterized by extremist and nondemocratic intentions. Should one of our party members do this, however, we would not make an agreement with him. Rather, we would openly ask whether he wishes to be a politician in a democratic party or wants to maintain links with forces that we do not see as democratic.

[Tanacs] You have said that you think it possible that the country might be ungovernable after the next elections. Do you agree with [Interior Minister] Peter Boross on this?

[Orban] Boross said that if they are not elected then a government crises would ensue after 1994 and new elections in 1995. What I say is that the chances of a stable government majority are the same as that of the opposite.

[Tanacs] If this is so then establishing the liberal bloc and excluding the left wing does seem like a political gamble.

[Orban] I maintain that the possibility of governing depends on the compatibility of the programs, rather than on with whom someone likes to be in the same room. The question of the government coalition is not the same as the give and take in the children's game nine men's morris. The question has to be asked this way: Does a government program exist on the basis of which the government can be kept together? At the moment, the program of the liberal parties is just as different from that of the socialist party—especially from the version published as a political advertisement—as from the programs of the government parties. This is the real obstacle.

[Tanacs] In the past few months, the MDF seems to have accepted the idea that it would not govern for eight years. It has not tried to take measures to help increase its popularity at public expense, it has intensively tried to break down corruption and the mafias, in other words, it has been acting as if it wants to leave the country in order for its successor. Recently, however, the government party's attitude seems again to have changed, an example of this is [MDF parliamentary group leader] Imre Konya's parliamentary speech regarding the amendment of the compensation law.

[Orban] I did not notice a movement in the other direction in the past, either. This coalition is exactly the same as it was two years ago—the situation might have changed and it has tried to adjust to this. I can see, however, that the MDF's self-confidence has returned. They again feel they have a chance to win the elections or at least to gain significant positions. They feel they have found the voice that will turn the citizens' sympathy toward them. In a simple form, the essence of this is that although not many people like them and many criticize them, by comparison, the other parties are even worse. Others would not have been able to do a better job. Therefore, it is still better if they continue in government. I do not think this attitude of the MDF is without hope: A powerful campaign can indeed find supporters for this view.

SLD Claims Authority To Nominate Sejm Speaker

LD2009143893 Warsaw PAP in English 1408 GMT 20 Sep 93

[Text] Warsaw, Sept. 20—As counting continues following Sunday's parliamentary elections, the victorious Democratic Left Alliance (SLD) on Monday claimed the right to nominate the speaker for the new Sejm (lower house), while declaring its willingness to work with all other groupings in the new parliament.

Wlodzimierz Cimoszewicz, one of the leaders of the SLD, which after Sunday's poll could end up with over one third of the seats in the Sejm, told journalists on Monday that the SLD would seek as quickly as possible to enter into negotiations with other leading parties in the new parliament. "The right to put forward a candidate for the speaker of the Sejm should be enjoyed by the largest grouping," Cimoszewicz said.

He declined to name any possible SLD candidates for the post.

He also said that the SLD would be seeking to meet with the representatives of the Polish Peasant Party (PSL), the Democratic Union (UD) and the Union of Labour (UP), who in his opinion, as the likely next three largest parties in the Sejm should have the right to nominate deputy speakers.

Counting of the votes is continuing across Poland, and none of the electoral districts for either the Sejm or the Senate had by noon Polish time on Monday completed the count.

The Roman Catholic Church has so far declined to comment on the outcome of the poll, following which openly Catholic parties, strongly represented in the outgoing parliament, have most likely failed to secure the necessary level of votes to assure them of parliamentary seats.

Bishop Tadeusz Pieronek, secretary-general of the Polish episcopate, said that "just as the church did not declare its preference for any single party before the elections, so too, it will not now comment on the distribution of forces after the elections." This is a matter for society, which in this manner has spoken, and the church, "which has until now fulfilled its mission in various political situations, sees no barriers to continuing to fulfil its mission further," Bishop Pieronek said.

Bishop Pieronek noted that, in a democratic state, freedom of worship was guaranteed, irrespective of the political colour of the government. "I therefore see no reason why this should lead to any restrictions on freedom of worship," he said.

Non-Party Bloc Will Not Join Left Coalition

LD2009193793 Warsaw Third Program Radio Network in Polish 1400 GMT 20 Sep 93

[Text] Minister Andrzej Kozakiewicz told us at the Belweder Palace Chancellery that the Non-Party Bloc in Support of Reforms [BBWR] will not enter a coalition with the Democratic Left Alliance, nor could he imagine a situation in which BBWR leader Andrzej Olechowski would head the new government, but the Left would support such a cabinet. Kozakiewicz expressed satisfaction at the result achieved by the BBWR in yesterday's elections.

UD Rejects Part in SLD

LD2009190393 Warsaw PAP in English 1417 GMT 20 Sep 93

[Text] Warsaw, Sept. 20—The Democratic Union (UD) will not take part in a government built by the Democratic Left Alliance (SLD), UD Leader Tadeusz Mazowiecki said on Monday.

Mazowiecki admitted that UD has received no negotiation proposals from SLD so far and reiterated, that his party had defined its views on potential coalitions with SLD before the elections. "I do not see any such coalition," Mazowiecki concluded.

Asked to comment on a statement of SLD's Wlodzimierz Cimoszewicz, who said that it is a "custom" to offer the office of Sejm (lower house) speaker to the winning party, Mazowiecki replied: "It was not so the last time."

UD Rejects SLD Government

LD2009224093 Warsaw PAP in English 2216 GMT 20 Sep 93

[Text] Warsaw, Sept. 20—The Democratic Union (UD) will not join a government formed by the Democratic Left Alliance (SLD), UD Leader Tadeusz Mazowiecki said on Monday.

Mazowiecki contended that UD has received no negotiation proposals from SLD so far and reiterated, that his party had defined its views on prospective coalitions with SLD before the elections. "I do not see such a coalition," Mazowiecki concluded.

Later in the day, the UD presidium met at the party headquarters in Warsaw to assess the situation after the elections. Tadeusz Mazowiecki, Prime Minister Hanna Suchocka and Head of the Cabinet Office Jan Maria Rokita attended the meeting.

The presidium confirmed that the party does not intend to join the government created by SLD and the Polish Peasant Party (PSL). In a released statement, the presidium said that "the obligation to form a government and take the responsibility for governing the country falls on the parties which have won the elections - the SLD and PSL."

"These parties have awakened social expectations which - according to the union - are impossible to be met in the current situation. The UD would not be able to share the responsibility and does not intend to join the government they are forming."

One of the party leaders Wladyslaw Frasyniuk, who said that SLD, PSL and the Union of Labour owe their victory to "the campaign of promises and attacks of UD" did not rule out that UD will hold talks with these parties on their cooperation in the new Sejm (lower house.) Mazowiecki confirmed the union's readiness to talk with all groupings which took up seats in the Sejm, after the announcement of the election final results - also with SLD - on the formation of the Sejm bodies, including its presidium.

He rejected the suggestions of the SLD leaders to have the right to forward a candidate for the Sejm speaker for the biggest Sejm grouping. "We cannot accept this condition, as there may be other candidates for the post," Mazowiecki argued.

SLD Proposes Talks on Forming Sejm Bodies

LD2009183093 Warsaw TVP Television First Program Network in Polish 1730 GMT 20 Sep 93

[Relayed by TV Polonia Network]

[Text] [Announcer] The Democratic Left Alliance [SLD] has proposed to the Polish Peasant Party [PSL], the Democratic Union [UD], and the Union of Labor [UP] the commencement of negotiations on forming the administrative bodies of the Sejm and also the election of the speaker and the deputy speakers. In the view of the leaders of the SLD, the PSL and UP are interested in this proposal.

[Begin Wlodzimierz Cimoszewicz recording] We would wish to return in these talks to the idea that is perhaps known to you and that we presented two years ago, based upon making the appointment of a Sejm and Senate Presidium composed relative to, or reflecting, the proportions of forces, a parliamentary tradition. And thus composed so that the strongest grouping has the right to nominate a candidate for speaker [words indistinct], and the remaining ones, in order, the candidates for deputy speakers. [end recording]

[Reporter] The leaders of the SLD claim that according to the unofficial data acquired by them, the alliance will have 35 of its representatives in the Senate. Among others, Rajmund Szwonder, the former deputy director of the Lucznik company and accused in the gun scandal, has become a senator. In the view of the leaders of the alliance, certain comments of the western press and diplomatic reactions speaking of the return to power in Poland of the forces of the old order arise from a lack of knowledge and are unjust.

Left Makes Strong Showing in Senate Elections

LD2109110793 Warsaw PAP in English 1029 GMT 21 Sep 93

[Text] Warsaw, Sept. 21—The democratic Left Alliance (SLD) is on course for a strong representation in Poland's Senate (upper house), on the basis of official results from over half of Poland's 49 provinces on Tuesday.

As at 1100 hrs Polish time, with official announcements from 27 provinces, the SLD has 21 of the seats in the 100-member Senate. The polish Peasants Party also has 21 seats.

The Union of Labour (UP) has three Senate seats, the Democratic Union (UD) - two, and the Non-Party Reform Bloc (BBWR) and the German minority - one each. Of those parties which failed to reach the required threshold of votes to gain representation in the Sejm (lower house), the Solidarity trade union has so far won three seats, and the "Ojczyzna" (Fatherland) Catholic election coalition, and Individual Farmers Solidarity - one each.

Notable victors to date include: In Poznan, prominent businessman Aleksander Gawronik, who has been under investigation for alleged embezzlement. Unofficially, Zofia Kuratowska of the Democratic Union has won one of Warsaw's three Senate seats. In Radom, Rajmund Szwonder, one of the six Poles arrested in Frankfurt-am-Main in March 1992, but later released on health grounds by the German authorities, has been elected on the ticket of the SLD.

Poland's Senate, which has revisory powers only, is elected on a first-past-the-post basis. Warsaw and Katowice provinces each have three senate seats, with all the remaining provinces having two each.

Suchocka Interviewed on Election Defeat

AU2109110393 Warsaw GAZETA WYBORCZA in Polish 20 Sep 93 p 3

[Interview with Prime Minister Hanna Suchocka by Anna Bikont, place and date not given: "I regret this situation"]

[Text] [Bikont] Bronislaw Geremek [Democratic Union parliamentary chief] said today that he has suffered a personal defeat. How do you feel as a prime minister who has had to bear all the aggression directed against the government? Do you now feel more relaxed and liberated?

[Suchocka] I cannot look at these things emotionally. For 14 months I tried to pursue reforms. The worst thing is interrupting what one has already started, because nothing can be achieved that way. But that is what society has decided.

[Bikont] Not just society, but also the Democratic Union and liberal politicians earlier on. Together, they might have formed the largest party in the Sejm.

[Suchocka] It is difficult to say. From the very beginning I wanted a coalition with the liberals and a broader coalition with a conservative party, the Peasant-Christian Party.

[Bikont] Do you bear any grudges toward your party colleagues?

[Suchocka] I simply regret that things turned out this way. But there is nothing to indicate that the parties that used populist slogans in their election campaigns will actually pursue populist policies. Perhaps reason will triumph. The atmosphere in the Sejm suggests that this will be the case, because after the voting one could not tell whether we were dealing with the right wing or the left wing.

[Bikont] One prominent Democratic Union activist heaved a sight of relief and said: "With 12 percent of the votes, at least we will be in the opposition." Do you share this consolation?

[Suchocka] We ran in the election in order to be the ruling party. No prime minister can say that he will never form a government. He has to accept the fact that he must form a government, but not at any price and not in any situation.

[Bikont] The parties in your government probably had less than one-fifth of the votes. Does that not signify a no-confidence vote in the reforms?

[Suchocka] If the Liberal-Democratic Congress and "Fatherland" group exceed the 5 percent threshold, it will mean that the entire government coalition will enter parliament, even if the Left has won the elections. If we add to the UD's [Democratic Union] 12 percent of votes the 5 percent gained by the liberals, the 8 percent gained by "Fatherland," and the 6 percent gained by the Non-Party Bloc in Support of Reforms—which after all is also a pro-reform party—then we will have achieved a total of 31 percent. That will result in a balance, because the other side will probably have 32 percent of the votes. (Footnote) (This interview was held at 2330, after the election forecast, but before the announcement of the preliminary results).

I would like to point out that these elections have shown that the UD has a dedicated electorate, which is very important in view of the frequency of elections in Poland. In addition, the UD has been in a very difficult situation. Some of our voters deserted us because of budget cuts and pension decreases. We hope they have not deserted us for good.

[Bikont] Which UD and government policies might have contributed to the defeat?

[Suchocka] I have always said that the most difficult thing to do is alter people's consciousness. It is easier to implement political changes and even economic changes.

[Bikont] But we are facing rather more than that. We are facing a return to power by the left wing.

[Suchocka] People forget that not so long ago they were queuing all night to buy a washing machine, and that there was low pay and hidden unemployment. The costs of the changes have turned out to be high, and that is why people want to go back to the old ways. But these costs are high in any country, and noone has been through these changes painlessly.

SLD Leader on Changes in Reform Process

LD2009194893 Warsaw Radio Warszawa Network in Polish 1800 GMT 20 Sep 93

[Text] Asked to comment on remarks that following the electoral victory of the Democratic Left Alliance [SLD] the process of reforms will be halted, [SLD Leader] Wlodzimierz Cimoszewicz said: We never concealed that it is our intention to introduce certain changes in the process of reforms; however, we will not be halting them but just correcting their directions, their tempo, and certain principles.

He explained that the SLD accepts the very idea of privatization but has principled objections to the ways it is being carried out. For instance, we do not accept an ideological principle that the economy must be privatized speedily, Cimoszewicz said and added: We will not halt privatization, although we will possibly alter its tempo and philosophical approach to it. He explained that the SLD will attempt to end the discrimination against the public sector in the economy, so that it can be on the equal footing with the private sector. Here I mean, Cimoszewicz noted, to abolish tax on above-normative pay rises and tax on the book value of company assets. He stated that the Alliance wants to link pro-market reforms with welfare protection of those who have difficulties in surviving the whole process of economic reforms.

World Bank Sees No Threat to Reforms

LD2009132293 Warsaw Third Program Radio Network in Polish 1300 GMT 20 Sep 93

[Text] In general, there will be no threat to the reform program in Poland, according to Ian Hume, World Bank representative in Warsaw. He said the bank sees no need for a dramatic world reaction to yesterday's election results in Poland. Hume declared a willingness to cooperate with the future government, on condition that the new cabinet has an appropriate economic policy. According to the World Bank representative, the strengthening of parliament, in which there will be fewer parties, is a positive outcome of the elections.

EBRD Waiting for New Economic Policy

LD2009181693 Warsaw PAP in English 1410 GMT 20 Sep 93

[Text] Warsaw, Sept. 20—The representative in Warsaw of the European Bank of Reconstruction and Development (EBRD) on Monday said that the bank was waiting "with great interest" to see what would be the likely economic policy of a future Polish government, following Sunday's elections which are likely to give the post-communist left around one third of the seats in the Sejm (lower house).

EBRD Representative Ives Fortin said that the bank, which has invested heavily in the development of Poland's private sector, was waiting for a declaration from the next government on the issues of the budget deficit, the continuing fight against inflation, and the future process of privatisation in Poland.

"We are waiting with great interest to see what will be the new orientation towards privatisation. We hope the process of reform and privatisation will continue," he said, noting that the EBRD was particularly interested in the privatisation question, given the bank's close planned involvement in the whole process.

He added that he hoped the present close cooperation between the EBRD and the Polish government would be continued in the future.

Western Banks Adopt 'Wait-and-See' Attitude

AU2109080093 Warsaw PAP in English 1925 GMT 20 Sep 93

[Text] Warsaw, Sept. 20—International financial institutions have adopted a calm and wait-and-see attitude towards preliminary returns of the September 19 parliamentary elections in Poland won by leftist parties. Representative of the World Bank here Ian Hume said on Monday the bank did not see any reasons to react dramatically and awaited concrete policy to be pursued by a new government.

Head of the Warsaw mission of the European Bank for Reconstruction and Development (EBRD) Ives Fortin said the EBRD expected the new government to make declarations on budget and control over inflation as well as on privatization and the policy towards foreign investments and on the attitude towards the EC.

The price of the Polish foreign debt fell by 0.5 cents on Monday. The price of the debt, out of which about 4 billion dollars are in the exchange trade, has been rising for several weeks in connection with expectations for the successful conclusion of Poland's talks with commercial banks.

The IMF annual session will be held in Washington this week. It will become a forum for the full presentation of expectations and fears of western banks in connection with changes that can take place as a result of the elections in Poland.

In 1989-1990, Poland started taking part in the "blood circulation" of Western banks due to signing the first agreement with the IMF. Two days before the elections, the IMF approved of Poland's implementation of another agreement in the first half of 1993. Apart from 700 million dollars of credits from the IMF itself, the second installment of the reduction of the debt, contracted with governments of Western states, by 8 billion dollars, depends on the implementation of the current agreement with the IMF.

Over the past few years, Poland got over 2.6 billion dollars of loans from the World Bank. The EBRD plans to give Poland considerable loans to help it carry out the privatization process.

According to Finance Minister Jerzy Osiatynski, Poland no longer depends on Western financial assistance, necessary at the beginning of the process of economic changes. The gaining or losing of a dozen or so billions of dollars depends on future relations with financial institutions.

Impact of Left Victory on Banking System Viewed

WS2109083193 Warsaw RZECZPOSPOLITA in Polish 20 Sep 93 p 5

[Article by Pawel Jablonski: "Banks: There Is No Going Back to the Past"]

[Text] **Bankers are unwilling to speak about any political issues. That is why the majority of bank directors asked by RZECZPOSPOLITA refused to make any statements on the changes expected by them in their banks' situations and in the banking system generally, if the elections were to be won by center-leftist political parties.**

Kazimierz Grzeskowiak, director of the Wielkopolski Economic Bank of Poznan, which groups cooperative banks from western and northern Poland:

According to Grzeskowiak's assurances, his bank has not yielded to any political pressure, and in his view, a change of proportions in the Sejm should not change that. Cooperative banks do not have nice memories of the past, and that is why Director Grzeskowiak cannot imagine going back to what used to be, despite a difficult situation in agriculture. With the kind of budget there is now, one cannot promise anyone that some levels of financial means will be used to finance somebody, because there are no financial means with which to accomplish that. The bank will also not be able to provide money at cheaper rates than the cost of gaining money. That is why Director Grzeskowiak does not predict changes in the way banks operate. Both cooperative banks and the Wielkopolski Bank created by them, are independent within the limits delineated by the banking law and the law on cooperatives. Possible

changes could only happen with regard to those particular legislative measures. On the issue of introducing a policy of supporting production through easier access to bank credits by enterprises, Director Grzeskowiak responded that "he will not provide credit to a company which refuses to guarantee its return, unless the state guarantees that. But how could it possibly do it—it does not have the resources."

Zdzislaw Lacki, head of project financing department at the Slaski Bank of Katowice which is being privatized:

While talking to us he voiced a reservation that what he says is his private opinion, and does not reflect the bank's position. He said that under the term "center-left," he understands the Democratic Union, the Democratic Left Alliance, most probably the Union of Labor, and the Liberal-Democratic Congress would also in his view fit into the picture. After you get rid of the whole propaganda aspect surrounding statements by these parties' representatives, you can see that they "tell the same story regarding the basic principles of managing the country and the direction in which the country should head." Zdzislaw Lacki thinks that there will be no problems at all, as long as we do not arrange a riot along the lines of "you are a post-communist, and you are black." [probable reference to black cassocks of Catholic priests] "I think there are smart people in both of these groups, and they will come to a mutual agreement. We must have a reasonable market economy, because there are people in both of these groups who are knowledgeable and know what is going on." Zdzislaw Lacki is "absolutely convinced" that a rational arrangement will come out of these elections, because banks cannot operate within irrational arrangements.

Director of one of the foreign banks operating in Poland who requested anonymity, said: "There is no going back to the past, even if the left wing wins." He does not predict any radical changes in the economic policy of the government which will be created after these elections, nor does he predict such changes in the policy of the bank managed by him.

Director of one of the smaller banks controlled by the state, who also requested anonymity, pointed to the fact that a reversal of proportions in parliament resulting from the elections would strengthen the position of the Polish National Bank. Currently, representatives of the governing parties sit on managing boards of many banks, which to some extent makes it difficult for the central bank to scrupulously enforce legal provisions toward them. That is why changes in parliament are expected to bring about changes in the composition of the managing boards of some banks.

National Bank President Interviewed on Economy

WS2009133093 Warsaw RZECZPOSPOLITA in Polish 20 Sep 93 p 5

[Interview with Hanna Gronkiewicz-Waltz, president of the National Bank of Poland, NBP, by Piotr Aleksandrowicz: "Responsibility for the State"; place and date not given]

[Text] **[Aleksandrowicz] During the election campaign many politicians stated that there would be a devaluation and more money would be in circulation. They promised that credits would be more accessible and interest rates would be lower. Others warned that if their competitors came to power, there would be hyperinflation. Could you comment on these statements which directly concern the fiscal policy and the money situation in Poland?**

[Gronkiewicz-Waltz] First of all, I get the impression that many politicians are not familiar with either the laws or with the duties of the National Bank of Poland [NBP]. They do not know what its place in the structures of authorities is, nor do they know the fiscal policy mechanisms. Even though microeconomic behaviors and processes can be felt by many people, macroeconomics is a rather obscure field. What proves the lack of economic awareness is for instance, the fact that the proposals for devaluation and lowering of interest rates were sometimes submitted simultaneously, even though these two are mutually exclusive. Another thing: Many senatorial and Sejm candidates speak about increasing the budget deficit; however, they do not take any notice of the fact that the problem does not lie in the famous 5 percent, but in the method of financing the deficit. Last year the deficit was several trillion zlotys smaller because methods of financing it could not be found. Speaking about a greater deficit, without explaining how it should be financed, is meaningless.

[Aleksandrowicz] Politicians believe that NBP will cover the deficit by printing additional money.

[Gronkiewicz-Waltz] This is out of the question. NBP will limit its participation in financing the budget deficit. Last year NBP bought 42 trillion zlotys' worth of treasury bonds; if this year it buys bonds for 30 trillion, which is less than last year, then next year this amount should also be smaller. I am a realist; we will not reach West European standards overnight. However, we will not go backward, either: We will not print more money and finance the deficit in this manner.

However, even if politicians assumed that NBP will print money, they should also say that this means inflation—for example 80 percent or more. They should frankly state that this is their program. However, they do not say that.

[Aleksandrowicz] The inflation level next year depends to a great degree on NBP, which decides how much money should be printed and controls the entire quantity of money. Can you guarantee that next year's inflation will not be higher than this year's?

[Gronkiewicz-Waltz] As long as I am the president of NBP, I will not allow higher inflation. Inflation must be consistently decreased. I will implement all legal and economic steps to achieve this because this is how I understand part of my responsibility for the state. Inflation is lethal for the economy. Inflation is deadly for those whose wages come from the budget, that is, for the entire budget sector, for senior citizens and disability

pensioners. People who manufactures things or who deal in services will compensate themselves for the results of inflation by increasing prices; they will do this before the budget sector receives raises. This is also an issue that is not discussed by certain politicians.

I think that next year it will be possible to decrease inflation by ten points, that is, from 35 to approximately 25 percent. Maybe the following year we could do the same. However, I will not conceal the fact that—as the experience of other countries shows—decreasing inflation from 15-16 percent to 4 percent is very difficult.

[Aleksandrowicz] Politicians also promised cheaper credits and lower interest rates.

[Gronkiewicz-Waltz] For the time being it is not possible to lower interest rates. The amount of money increased considerably in July and August; we also have our forecasts for the next few months. We are considering the idea of introducing credit limits because the value of the credits that are being extended is growing drastically.

Therefore, I cannot see any possibility of lowering interest rates in the next few months. However, we do not want to increase interest rates. Therefore, we will restore the idea of NBP bonds, which are very useful in settling banks' fluidity.

[Aleksandrowicz] Some politicians spoke about greater devaluation; others say that the August devaluation was too small. What do you say? Decisions concerning devaluation and the exchange-rate policy are up to the central bank.

[Gronkiewicz-Waltz] We should remind politicians about this. Now, to answer your question: Creeping inflation will be maintained. It must be decreased gradually. We also must resign ourselves to a certain surplus of imports over exports. Such a phenomenon can be observed in economies in which there is a clear boom. What is important is that at the same time Polish exports are not dwindling.

[Aleksandrowicz] Should the devaluation of the zloty not be adjusted to the rate of inflation? Or should the zloty, just as it has been in the last few years, become steadily more valuable?

[Gronkiewicz-Waltz] The zloty should become gradually stronger against other currencies. Therefore, the devaluation was only 8 percent.

[Aleksandrowicz] Some politicians believe that we should limit the transfer of foreign currencies, which means that we should limit the scope of exchangeability. In other cases, the implementation of parties' programs would soon lead to it. On the other hand, there are politicians who would like to have full exchangeability very quickly. What is your opinion on this?

[Gronkiewicz-Waltz] We must maintain internal exchangeability. This is the foundation of the reform. We will try to broaden the foreign currency interbank market. However, promises concerning full exchangeability are too farfetched. Full exchangeability will only be the result of economic transformations.

[Aleksandrowicz] The last issue: Stability of the banking system. Should NBP rescue private banks that had irresponsible owners and boards of directors?

[Gronkiewicz-Waltz] As for the method of the rescue action—it is fully in line with this art. The stability of the system is a superior value; in Finland the central bank has recently intervened in a very similar manner; only after that was a governmental fund established. I would like Poland to have a similar system; however, since we have no governmental fund, NBP cannot wait. Prolonging the status quo causes greater losses. If it were not for intervention, the losses would be even greater. The same goes for the budget.

[Aleksandrowicz] However, this may encourage irresponsibility: banks have this feeling of comfort that, if not the Treasury, then NBP will come to the rescue.

[Gronkiewicz-Waltz] Not all banks are or will be rescued. We will apply an individual approach. However, I also can see no reason why private banks should be in a worse situation: State-run banks received an additional 11 trillion zlotys' worth of obligations for increasing their capital.

[Aleksandrowicz] What would you like to say to the new deputies?

[Gronkiewicz-Waltz] I would like to tell them to rely on well-known specialists in conducting analyses and preparing economic programs.

Iliescu Interviewed on Relations With Turkey

NC1709204693 Istanbul SABAH in Turkish 10 Sep 93 p 23

["Exclusive" interview with President Ion Iliescu by SABAH correspondent Leyla Umar in Bucharest; date not given]

[Text] Ankara—[Umar] You began working on privatization as soon as you were elected Romania's president. Are you satisfied with the progress achieved in that field?

[Iliescu] Privatization is our most important problem. We have that in common with Turkey and we are making a similar effort. However, you should remember that even a country like Britain has not been able to conclude that process in 10 years.

[Umar] What have you regarded as a priority to solve the economic problems in your country, which has a population of 23,000,000 people?

[Iliescu] We are trying to attract foreign investments. We are well aware that we can only improve our economy through joint investments.

[Umar] Turkey is the fourth country that has made investments in Romania after Germany, Italy, and Syria. The investments made by 2,300 small companies may not be regarded as important by Romania. However, the Bayindir Holding Company has launched an initiative to open a bank in your country. Can you comment on how that initiative will contribute toward economic development between Romania and Turkey?

[Iliescu] The Bayindir Holding Company's investments are not limited to the opening of a bank in Romania. That company has purchased two hotels and is restoring and repairing them at the present time. It has also planned to make investments in road construction. I have held talks with Kamuran Cortuk, who is a very positive and active investor. His investments have encouraged other businessmen and banks in Turkey to focus attention on Romania.

[Umar] The investors I have talked to have complained that bureaucratic formalities are slowing down the pace of their work. Can you comment on the measures you plan to take in that regard?

[Iliescu] Unfortunately, that is a common problem in all the countries, particularly those that were under Communist rule for a long time. We are trying to remove the formalities as much as we can.

[Umar] What are the issues that will have weight in your talks with President Suleyman Demirel during your three-day visit to Turkey?

[Iliescu] We shall focus attention on matters of common interest between the two countries, matters related to investments, privatization, cultural work, and cooperation in the tourism industry. More than 950,000 tourists traveled from Romania to Turkey in 1993. Our tourist installations hosted more than 250,000 tourists from Turkey. There is no reason why those figures should not increase.

[Umar] Former President Ceausescu lived in this magnificent palace for only three days. He dreaded insects and snakes. He was convinced that there were insects and snakes in this palace. I have admired the engravings on the wood and the colored glass. I have been informed that you have asked Turkey to allow you to transfer King Stephan's sword back to your country. How did Turkey respond?

[Iliescu] We borrowed that sword from the Topkapi Palace in Turkey and displayed it to the people in 1992. I have asked President Demirel to have it returned to Romania. He promised to do so. God willing, we shall all see what will happen when I visit Turkey.

Magureanu Interviewed on SRI Report

AU2109073493 Bucharest ROMANIA LIBERA in Romanian 15 Sep 93 p 3

[Interview with Virgil Magureanu, director of the Romanian Intelligence Service, by Dan Preisz; place and date not given: "The Paradox of the 'Nuanced' Truth"]

[Text] [Preisz] Mr. Magureanu, are rumors about your leaving your office as SRI [Romanian Intelligence Service] director true or false? Recently there have also been rumors about your possible appointment as a presidential counselor...

[Magureanu] I think it is only natural that I should also be asked whether or not I wish to remain SRI director. Yes, I have been asked... I have yet to consider my personal stance related to the work I am currently doing. Actually I have no reasons to be dissatisfied with the things I have achieved so far, keeping such an important institution going, but this does not mean, by far, that I am satisfied.

[Preisz] Will you elaborate a study summing up the things you have "inherited" from the Securitate and, perhaps, in case you leave, another one summing up what you will leave behind?

[Magureanu] Yes. I really thought of presenting such a balance-sheet, which I consider quite necessary. It will present an institution that has really been purged in a constructive way. That is true at least as far as the large number of young persons who have joined us is concerned, and I wish that even more would come to us. Our institution is at least working legally, in concordance with democratic norms, and under the patronage of Parliament. That is what I have always wished for myself. The report on the SRI activity [presented on 13 September in Parliament] has been elaborated under my personal direction. Consider it good or bad, you can ascribe it entirely to me.

[Preisz] Do you think the report is formulated and contains the ideas you wanted? Is it improvable?

[Magureanu] Any written text may be subjected to drastic amendments. Difficulties related to such reports come from an entirely different source, namely from the way nuances are being portioned and the way in which one says what one has to say, and, on the other hand, a great deal depends on whether it is understood the way it should. Considering the broad political spectrum we are facing (and I did not say it is necessarily an antagonistic one), one can expect to be approached from the most varied angles. They [Parliament] appreciated the report on Monday [13 September] because they took it for what it really was. However, there were also opinions that questioned it, some even said it was a text that had been merely scraped together. Well, it is not a scraped-together text and anyone who will read the report with sufficient attention, rather than with self-sufficiency, will realize that it contains quite a number of [real] elements that, perhaps, have not been portioned most properly...

[Preisz] Related to the report, does truth have nuances?

[Magureanu] Of course it does. It even has divisions. Not exactly the full scale, stretching from minus infinite to plus infinite, but truth does have nuances. There are no ultimate truths. In a controversial historic reality truth cannot be but nuanced. No one can claim to have a sufficiently credible dose of truth in his breast pocket that one can consider to be a kind of a master key.

[Preisz] Are you expecting any major adverse reactions after the debates on the report?

[Magureanu] No. As a matter of fact, the debates on the report—even in the case of those who criticized it in the most severe way—cannot be interpreted as blows under the belt. I am not expecting anything of the kind and we do not have any reasons to expect such reactions. They might contest the quality of the work we have been doing, they can hold us responsible for whatever we did or did not do, but under no circumstances will they be dealing blows at us. Little by little, in a simple way, we are learning how to become compatible with each other and we will perhaps also learn the rules of civilized dialogue, by means of which we can convey certain truths to each other without also hitting at each other.

[Preisz] What do you think of the Claudiu Iordache "motion"? [one of the four leaders of the Social Solidarity Convention who requested that Romanian citizens be granted access to their own Securitate files]

[Magureanu] I supported it when it was published and I think that the access to one's personal files elaborated by the former Securitate should be a gained right in our country. It depends on how soon Parliament can put that issue on its agenda.

[Preisz] What is your opinion on the assertion made by a distinguished parliamentarian alleging that "KGB has its people infiltrated in the highest spheres of the Power"?

[Magureanu] One can say a lot of things from the rostrum. However, whenever we assert or deny something, we must have irrefutable evidence. We are also concerned over the remanance of certain networks that might have a conservative orientation. As you might know, I think your question refers to networks that used to be operational in the past and that now could have a certain remanence [sentence as published]. Well, meanwhile a great deal has changed in the East, in the domain of intelligence services as well.

[Preisz] Do you think there could be situations in which those services could become active again in our country?

[Magureanu] I can neither state nor deny anything related to that before I do not have the necessary evidence.

[Preisz] To what extent do you think accusations are true, according to which SRI is shadowing certain political personalities, taps their conversations, and checks their letters?

[Magureanu] Accusations alleging that we are a political police are groundless. We are not legally empowered in any way, neither do we engage in any practical activity of pursuing political parties, regardless of the area of the political spectrum they belong to. However, it is true that whenever a country is evolving in a climate of suspicion, as it sometimes happens here as well, there is a kind of a reflex reaction, in the sense that institutions suspected of possessing such equipment are immediately thought to use them against presumed political adversaries as well. Well, this can be ruled out and, first of all, I can assure you that our institution has no political adversaries whatsoever. Regarding this, I regret the incident that happened on Monday [13 September] in Parliament, when a personality belonging to your daily (Mr. Petre Bacanu) was mentioned as allegedly holding [SRI] documents. I know about certain documents he has. And, at that time, I even had a talk about them with Mr. Bacanu... This is how involuntarily—or at least I hope so—the idea that we are against newspapers and against certain personalities catches ground, after which this idea can be inserted in the kind of attitude as that expressed in your question.

[Preisz] Do you think the SRI report has any vulnerable points?

[Magureanu] Yes, it has quite a number of vulnerable points.

[Preisz] Could you list them for us?

[Magureanu] I would like to present them to Parliament first. When I meet with the press I will tell you about those vulnerable points as well. I know them better than anyone else...

[Preisz] Why have there been no press conferences at SRI headquarters lately? Your line of activity is a delicate and a complex one.

[Magureanu] To a certain extent we have been having contacts with the press (?!). It is true that we have not held news conferences, but still we had contacts, one could even consider them continuous ones, to a certain extent, with certain publications. However, I think that we will return to the periodical meetings the SRI director should have with the press.

CDR Urges Anticorruption Program

AU1809160893 Bucharest COTIDIANUL in Romanian 13 Sep 93 p 2

[Communique by the Democratic Convention of Romania: "There Is Proof That the CDR Did Not Act According to a Scenario"]

[Text] Examining the results of the parliament extraordinary session and of the discussions on corruption at the top, the Democratic Convention of Romania [CDR] arrived at the following conclusions:

1. On the surface, the discussions ended favorably for the government coalition: The motion submitted by the opposition was rejected, General Florica's [former chief of Financial Oversight Body] report was not relevant, but to the contrary, and the government affirmed its monolithic unity.

2. This apparent success of the executive power proved, among other things, that neither the opposition, generally speaking, nor the CDR, in particular, acted in accordance with a scenario, as was affirmed, but only prompted by the desire to shed light on the truth.

3. Despite affirmations made by representatives of the executive power, the CDR did not participate in any way or to any extent in any of the maneuvers designed to "politicize" the debates. The CDR is pursuing a single objective, namely that public responsibility for any case of corruption among public dignitaries and officials be assumed by the guilty, who will suffer, when applicable, legal rigors or bear the political consequences following from these disclosures.

4. The CDR, which has not participated in the executive power in the past three and one-half years, is the only political force about which there is no suspicion, and thus the only one that has neither any visible nor hidden interest in hampering the eradication of this social evil.

5. The CDR declares with great responsibility that should any of its representatives in parliament or within the local administration be proven to be involved in any illegal or dubious affair, it would immediately and publicly withdraw its political support for that person; it asks all responsible parties to adopt and to apply the same principles.

6. It is absolutely obvious that the whole fuss about the problem of corruption stems from the fact that the relevant state bodies do not do their duty systematically. Romania's Government has to imperatively ask courts, the police, and other competent bodies to apply the law, irrespective of the political status or position of the guilty ones.

7. The CDR asks relevant institutions to formulate and present, within 10 days, the anticorruption program promised by the Social Democracy Party of Romania [PDSR] during the election campaign. At the same time, within the same interval, members of parliament and government, and high-ranking presidential officials should publicize their wealth, as well as their participation and that of their wives and children in trade companies.

CDR President Emil Constantinescu

PNTCD Spokesman Assesses Work in Parliament

AU2009161193 Bucharest Radio Romania Network in Romanian 1300 GMT 20 Sep 93

[Text] Today during the weekly news conference of the National Peasant Christian-Democratic Party [PNTCD], Mr. Radu Vasile, the spokesman for that political party, stated that work in the parliament is currently being blocked by the fact that discussions are concentrated on draft bills of minimal importance. This proves that there is no official will to really implement economic restructuring, Vasile said.

Talking about the planned elections within the PNTCD county, Vasile announced that preparations have reached the final stage and that consequently the Permanent Delegation of PNTCD can be summoned by the end of October.

The PNTCD representatives then briefed the press on the meetings they held recently with a number of foreign delegations. Talking about the recent visit of Hungary's foreign affairs minister [Geza Jeszenszky], PNTCD leader Corneliu Coposu stated that the visit signals the beginning, an opening intended to establish an accord that could ensure normal relations between Romania and Hungary.

Foreign Media Bulletin: Balkan Crisis 21 September

WA2109170093

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian officials report progress at peace talks ... PRC official urges lifting of sanctions on FRY ... Muslim-Croat fighting reportedly continues.

DIPLOMATIC

PROGRESS REPORTED AT PEACE TALKS (Sarajevo Radio, AFP): Bosnian Foreign Minister Silajdzic says progress made at peace talks on British aircraft carrier in Adriatic, Croats agree to lease part of Ploce port for 99 years. Deputy Foreign Minister Suljic reports Serbs made Territorial concessions in eastern Bosnia. (AU2109130793, AU2109115193)

PRC OFFICIAL URGES LIFTING OF SANCTIONS (TANJUG): Head of PRC delegation visiting Belgrade, Chen Haosu, says China will "make every effort to help lift UN sanctions against Yugoslavia as soon as possible" (LD2009202493).

MILITARY

MUSLIM-CROAT FIGHTING CONTINUES: Sarajevo Radio reports Muslims fighting "decisive battles" and "successfully taking control over liberated territories in Mostar," while Zagreb Radio accuses Muslims of shelling "civilian facilities" in Mostar, using "poison gas" in Vitez. (AU2009192493, LD2009161493)

Foreign Minister on Imminent Division of Country

LD2109121793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1011 GMT 21 Sep 93

[Text] Zagreb, 21 Sep (TANJUG)—Haris Silajdzic, minister of foreign affairs in the pro-Muslim Government of Bosnia-Herzegovina, told the Zagreb weekly DANAS that the disintegration of this former Yugoslav republic is "a current necessity," and that "the process ought to be finalized in order to save human lives."

According to Silajdzic, this is a phase through which we have to pass, but after some time "reintegration in that area will occur." He added that "the world also is a melting pot," and that "the same fate and reintegration await us." This is an "anachronism without a future," and this "sacrifice of Bosnia-Herzegovina will have a high price," one that "can already be felt in Europe."

Commenting on the declaration signed by Bosnian Muslims and Serbs, Silajdzic said that "it is similar, but not identical" to the agreement signed with the Croats.

Regarding a provision for a referendum on the possible secession of republics from the union of Bosnia-Herzegovina, Silajdzic said that "this will be put on the agenda only after a final settlement has been reached." However, he said, it is fair that people should decide how they wish to live. "Even such a solution is better than restarting a war, a horrible catastrophe," he declared.

UNPROFOR Says Fighting Around Mostar Ebbing

AU2009161893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 20 Sep 93

[Text] In the days prior to the resumption of the peace talks on Bosnia-Herzegovina, scheduled to take place at Sarajevo airport tomorrow, the cease-fire in Bosnia-Herzegovina is consolidating, with the exception of isolated clashes in central Bosnia.

According to UN Protection Forces [UNPROFOR] Spokesman Bill Eyckman [name as heard] units of the Bosnia-Herzegovina Army yesterday advanced from the south toward Vitez, which is held by units of the Croatian Defense Council [HVO]. The UNPROFOR representative said that five or six battalions of the Bosnia-Herzegovina Army are taking part in these clashes, but he could not state exactly how many HVO soldiers are defending the approaches to Vitez.

Clashes between the Bosnia-Herzegovina Army and the HVO took place around Vitez this morning, Eyckman said.

The situation in the south of Bosnia-Herzegovina has changed dramatically. The fighting has diminished drastically, Eyckman said. Only weak sniper fire and sporadic shelling has been observed around Mostar. He confirmed that in the clashes that have taken place in Herzegovina over the last few days, units of the Bosnia-Herzegovina Army have taken a strip of territory measuring approximately 20 km in length south of Jablanica and Dreznica toward Mostar.

Zagreb Radio Reports Fighting

LD2009161493 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 20 Sep 93

[Report by Zdenko Vranjes]

[Excerpt] The Muslim army this morning launched the fiercest attacks so far against Croatian defense Cocuncil [HVO] positions on the Mostar battlefield.

Fierce infantry and artillery clashes are still in progress around the village of Vrdi, the hills between Jablanica and Mostar, in Bijelo Polje, Rastani, Rodoc, and Buna. The fiercest attack launched this morning by the Muslim army on HVO positions at the foot of Mount Hum has been repelled with considerable losses on the Muslim side, but the Muslim army headquarters headed by Sefer Halilovic is not giving up the attacks despite the losses.

The streets of Mostar are deserted. On several occasions Muslim artillery shelled civilian facilities in the western part of the town and the market area. There have been no reports on casualties.

Ferocious fighting is also in progress in the Lasva river valley. After the Muslim attacks decreased somewhat last night and this morning, at around 1300 today the Muslim army again started shelling the centre of Vitez with mortars and tanks. At the same time they launched fresh infantry attacks on the villages of Krcevine, Dubravica and Sivrino Selo. In the latest round of fighting in this area, the Muslim army did not manage to pierce the defense lines but lost at least 30 soldiers with a large number of wounded. HVO units in Krcevine destroyed one Muslim tank and seized a sizable quantity of infantry and heavy weapons. Three HVO members were killed while seven others sustained injuries.

The HVO main headquarters says that 12 civilians were killed and 36 wounded in Muslim shelling of civilian targets over the past 24 hours. The UN Protection Forces have confirmed that the Muslim army used poison gas in Vitez. [passage omitted]

'Decisive Battles' Reported

AU2009192493

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 20 September gives the following account of the situation on the fighting throughout the Republic:

Correspondent from Brcko Hamiz Deronjic reports that "the Serbian aggressor is pounding our positions on the Omerbegovaca-Vranovaca line from the direction of (?Caljavac) with 60 mm and 82 mm mortars, 80 mm portable rocket launchers, and a Broving." He reports

that "movements of the aggressor's tanks have been noted in several directions today. Especially strong enemy armored-mechanized units have been moving on the Brcko-Potocari route, in the central part of the front, and in [words indistinct]."

Nijaz Banjanovic reports from the free Zvornik territory that "over 120 shells of various calibers have fallen on Sapna, Kraljevici, Kobilici, Zaseok, and (?Vitinic). Five women sustained serious injuries by shrapnel from the criminals' grenades while enormous material damage has been caused to civilian buildings. The defense lines in the operational zone of the 206th Hill Brigade Zvornik continue to remain firm and stable."

Reporting from Olovo, Amira Salihbasic says that "a tank from the enemy stronghold of (?Krivajevici) on several occasions during the day" fired "at civilian areas and the defenders' positions in the region of (?Vakici)." "Mortar bombs from the region of Arapovici have been falling at irregular intervals on the town and its suburbs," she reports but adds that "the evening is somewhat more peaceful."

The correspondent from Gornji Vakuf, Borka Rudic, reports that "the day on the Gornji Vakuf front passed with sporadic shelling and small arms fire from the positions of the Croatian Defense Council [HVO]." She reports that six people have been wounded today. Rudic also reports that Selmo Cikotic, commander of the Operative Group West of the 3rd Corps of the Bosnia-Herzegovina Army, visited the area today. "After inspecting combat positions, Commander Cikotic in a statement for Radio and Television of Bosnia-Herzegovina stated that he was pleased with what he had seen in the field and that it is already evident that a nearly two-month offensive by the HVO and the Croatian Army in this area has been halted, that is to say, broken. The information that elite troops of the HVO and the Croatian Army have been engaged on this front speaks of the importance of the territory of Gornji Vakuf commune to the aggressor." Rudic then says that "all the destroyed tanks and armored personnel carriers bore Croatian Army insignia," while "documents have been found on the bodies of soldiers definitely proving that they were members of the National Guard Corps of the Republic of Croatia."

The Information Service of the Fourth Corps reports that "since early morning several hundred howitzer, tank, and mortar shells have landed on unprotected districts of the town." It further states that "32 wounded residents, who were all hit by shrapnel from destructive shells, were brought to the military hospital on the left bank of the Neretva River for treatment. However, five of them succumbed to their wounds despite the superhuman efforts of the medical and surgical team to save their lives." The center further reports that "the units of the 4th Corps in the course of the day carried out a powerful counterattack on several localities that are strategically important for the defense of Mostar, inflicting great losses in manpower and military hardware upon the Croatian aggressor. The free territory of the Mostar commune, which is controlled by units of the 4th Corps is growing by the hour with new kilometers of liberated Mostar and Bosnia-Herzegovina territory. The Command of the 4th Corps has reported this evening that despite fierce shelling and the destruction of civilian areas and fresh suffering for the civilians, its units' counterattacks managed to destroy a major stronghold of the united Croatian aggressors in the Rastani region. The entire area of Rastani is now again under the control of units of the 4th Corps. The dam of the hydroelectric power station lake, that is to say, the entire installation of the Mostar hydroelectric power station has also come under the full authority of Bosnia-Herzegovina, that is to say, the liberators of Mostar. In the process of the town's defense and decisive phases in the lifting of the blockade of Mostar, the heroic Mostar fighters are liberating the commune bit by bit," the dispatch goes on. "Units of the 4th Corps are at this moment fighting decisive battles against the Croatian aggressors in (?Roboc) and its surroundings. The command reports that the so-called aviation bridge with [word indistinct], which links the airport with a helipad, has come under its control on this occasion. In the central districts of the western part of the town, which have so far been controlled exclusively by the Croatian Army and HVO forces, units of the 4th Corps are fighting decisive battles and are successfully taking control over liberated territories of Mostar commune." Finally, the information service also adds that "decisive battles for the control over Mt. Hum are also under way."

Serbian 'Extremists,' Gangs Clash in Foca, Visegrad

AU2009193693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 20 Sep 93

[Report by Enes Musovic from Gorazde]

[Excerpts] The events of the last few days, which considerably disrupted the illusory peace in the self-proclaimed republic of Srpska in the notorious Banja Luka of September '93, are being followed by the expected repression in other parts of this artificial concoction.

On the basis of verified reports available to the Command of the East Bosnia Operative Group of the Bosnia-Herzegovina Army, Foca, Visegrad, Cajnice, Rogatica, and Rudo are going through dramatic times. Clashes between Serbian extremists and gangs that are rampaging in Foca have been going on for days. The courts do not function at all and, thus, the laws of the jungle are in force there, just like in the Wild West. It has become a normal occurrence that for the sake of earlier [word indistinct] and prestige among the gangs, criminals are being taken out of Foca prison and killed on the spot.

In Rogatica, so it seems, a chairman of the communal assembly got the roughest deal so far when his house was set on fire a few days ago. Recently, an explosive device

was thrown into a room where he was holding a meeting of a political forum. Several people were killed and injured on that occasion.

Clashes between the extremists, the gang bosses, and self-proclaimed warlords have also started in Cajnice over the last few days. These clashes resulted in a considerable number of dead and injured.

A common trait of all these events is a conflict among extremist forces over the division of war booty and the allocation of responsibility for the numerous crimes committed in southeastern Bosnia, of which increasingly more is being known thanks to the media. [passage omitted]

It is evident that a serious split is taking place within the Serbian nation, in which progressive forces wish to distance themselves from the crimes committed, realizing that coexistence is the only realistic perspective in Bosnia-Herzegovina. The people of Gorazde fully support the efforts of progressive and democratic forces within the Serbian nation.

Bosnian Croats To Close Dretelj Prison Camp

AU2109061893 Paris AFP in English 0239 GMT 21 Sep 93

[Text] Zagreb, Sept 21 (AFP)—Bosnian Croat authorities on Tuesday [21 September] are to close down the Dretelj prison camp in southern Bosnia, where more than 500 Muslims are being held, the "prime minister" of the self-declared Bosnian Croat republic said.

Jadranko Prlic told the HINA news agency late Monday that sick internees would be evacuated from Dretelj to hospitals in the Croatian port of Split and the southern Bosnian city of Mostar.

The remaining 500 prisoners would be transferred to refugee camps in Croatia on the southern island of Obonjan off the Adriatic coast and the northern town of Gacinci, where they would have "the provisional status of refugees," Prlic added.

The closure of Dretelj meets a midday Tuesday deadline agreed between Bosnian Croat and Bosnian leaders for the bilateral and unconditional dismantling of all prison camps.

Under the accord signed last Tuesday in Geneva by Croatian and Bosnian presidents Franjo Tudjman and Alija Izetbegovic all prisoners in camps in areas held by Bosnian government forces and the Bosnian Croat militia are to be freed.

Prlic visited the Dretelj camp with the republic's "foreign minister," Mate Granic, and representatives of humanitarian organisations.

Granic said the Bosnian Croats would respect "all the conditions" of the Tudjman-Izetbegovic accord and allow aid convoys unrestricted passage.

Krajina's Bjegovic Comments on Recent Army Attacks

AU2009150093 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 20 Sep 93

[Report by Dragoljub Stankic from Knin]

[Text] UNPROFOR [UN Protection Forces] Commander General Jean Cot has visited Sector South—that is, the region of the Medak pocket, which was occupied by the Croatian Army on 9 September. He confirmed that the region near Medak was under UNPROFOR control, but he said that he had not seen any signs of human or animal life in several of the villages he passed through. The destruction is complete, systematic, and deliberate, General Cot stressed. The UNPROFOR units came across 11 totally destroyed settlements in the Medak pocket, while the worst destruction was carried out in the time it took UNPROFOR to enter the area. Houses were mined to the ground, and dead livestock covered the area. So far, the UNPROFOR civilian police has discovered nine corpses, four of which were burned beyond recognition. According to international inspectors, this was a result of a deliberate action and not a consequence of war operations.

The fact that the aggression by the Croatian Army had catastrophic consequences for the Serbian population has been confirmed to us by Djordje Bjegovic, prime minister of the republic of Serbian Krajina. We know for a fact, Bjegovic said, that 52 people were massacred in a bestial manner, and most of them were civilians. Twelve people have been exchanged through UNPROFOR and eight have been captured and taken to Rijeka, while 12 people, mostly from mixed marriages, have paid for their liberty with a media propaganda [word indistinct]. There is no news about the fate of another 22 people, Bjegovic said and added:

[Begin Bjegovic recording] The most difficult thing to say at this time is that the system, according to Resolution 815, has functioned wonderfully for the Croatian side. They arrived with tanks, a large infantry force, machines for demolishing, explosives, and other incendiary devices to destroy everything they found in the so-called Medak pocket. This is an organization, and I think that the world has to see it, since it is certain that a resolution such as Number 851 will never be passed again, if there is any humanity in the Security Council, since in this way the Security Council has enabled Croatia to return the republic of Serbian Krajina within the Croatian borders. [sentence as heard]

I have to stress that there remains the great threat of Croatia along the entire demarcation line with the republic of Serbian Krajina, and if something similar happens tomorrow, for example, I do not think it will come as a great surprise. I must say, however, that in this situation, we are ready not to do that part of the job in the way that it was done in the Medak pocket, but in a much better prepared way and with threats that we have never issued before. [sentence as heard] [end recording]

Government's Foreign Investment Strategy

93BA1428A Ljubljana DNEVNIK in Slovene 20 Aug 93 p 9

[Unattributed STA article: "Slovene Will Be Open to Foreign Investments"]

[Text] Ljubljana, 20 Aug (STA)—To date, Slovenia has not had its own especially defined attitude toward foreign investments, and upon independence, in fact, it intentionally adopted the former system in that area. The need to define that attitude has particularly been indicated recently, when the confusion of liberal legal regulations that govern that area has allowed diverse legal arrangements with foreign investments. In this regard, everything has been left too much to chance and to exaggerated idealization of foreign investments, on one hands, and to an exaggerated fear of a sell-off of Slovene property, on the other. In order for Slovenia to protect its interests in this area, the government has already sent a resolution on the Republic of Slovenia's foreign investment strategy for parliamentary proceedings.

The main purpose of this strategy is primarily for the state to have clearly formulated goals, instruments, and methods with respect to foreign investments. The strategy is aimed at having a positive influence on attracting foreign investments, which Slovenia naturally wants and needs, but in some areas there is more of a national interest, and less in others, that the state wants and has to protect.

Slovenia's basic long-term priority goals which are mentioned in this resolution and which we want to achieve through foreign investments, are primarily: increased export competitiveness and economic restructuring, employment of the domestic work force, and an influx of foreign capital and the integration of foreign capital into the local economy, especially in less developed and demographically threatened areas. In this regard, the document prepared by the Ministry of Economic Relations and Development also states that the state will support and encourage foreign investments that will ensure one or more of the priority goals.

Slovenia will be open to foreign investments, and will especially favor those that are in accordance with its strategic goals, according to experts from the Ministry of Economic Relations and Development. In principle, they will not be restricted, but they will be guided in areas that represent protection of Slovenia's vital interests. Foreign investments will be limited in explicitly stated areas. Slovenia will formulate positive and liberal legislation, accelerate the conclusion of bilateral and multilateral international agreements for the area of foreign investments, and protect foreign investors against possible additional legal changes that would limit their legally guaranteed right to transfer profits, repatriate their investment or share in an enterprise's net property, and transfer the investment to another domestic or foreign person.

The strategy specifies that every foreign investment on the territory of our state, upon being entered in the court registry, will obtain the status of a legal person and thus Slovene "citizenship," even though all the capital is controlled by foreign investors. That means that a foreign investment, when it obtains legal status, will be treated in accordance with Slovene legislation with respect to its rights and obligations on Slovene territory. The experts particularly point out that this principle is especially important, and will also be taken into account in obtaining property rights in real estate on the territory of Slovenia, in forming management structures at enterprises with majority foreign capital, in employing the domestic work force—in which priority will be given to Slovene citizens—the mandatory use of the Slovene language as the official language in Slovenia, and other vital national interests that Slovenia wants to protect against the influence of foreign capital in the case of investments.

The law on foreign investments will explicitly define all the possible forms of foreign investments. It will be the starting point for foreign investors. From the standpoint of foreign investments, the activities in which foreigners can invest have been divided into groups of free, guided, and prohibited activities. The activities explicitly prohibited for foreign investments will be elementary education, pension insurance, and the production, trade, and distribution of weapons and military equipment.

Skoda Sales Increase Trade Deficit With Czech Republic

93BA1456A Ljubljana DELO in Slovene 1 Sep 93 p 4

[Article by Goran Novkovic: "Extremely Favorable for Customers, but the State Is Losing Money"]

[Text] *In seven months, customers in Slovenia bought more than 5,000 of Skoda's automobiles; too small a share for Slovene producers of car components for foreign vehicles.*

Ljubljana, 31 Aug—The data on trade between the Czech Republic and Slovakia and Slovenia are not favorable. Last year we exported $90 million in goods to those countries, and imported $112 million in goods. During the first half of this year, we imported $59 million in products from these two countries, but exported only $33 million in products there. We did most of the trade with the Czech Republic, with which trade is even less favorable for Slovenia. During the first half of the year we exported $21 million in goods to the Czech Republic, and imported $49 million in goods from there, primarily automobiles.

This was stated, among other things, at a meeting of representatives of the government and the industry that participates in manufacturing automobiles. Thus, the Czech Skoda, by selling automobiles in the Slovene market, is already in second place after Novo Mesto's Revoz. During the first seven months, in fact, customers

in Slovenia already bought over 5,000 of Skoda's automobiles. The difficulty is that after the signing of the agreement on a free trade zone with the Czech Republic, the conditions for selling Skodas in Slovenia will improve further, while on the other hand, Revoz will not be able to have the same tariff reductions in the Czech Republic, since Slovene suppliers only have a 30 percent share in its production.

According to Revoz's representative, competition in the Slovene automobile market will increase even more in the future, since the Czechs are asking us for free imports of their automobiles. If Slovenia placed a quantitative limit on imports of Skodas, we can expect the Czech Republic to place an equal limit on exports of Slovene household appliances to its market.

Recently, this Czech factory has been planning to reduce input costs by 30 percent and to reduce the number of suppliers. That will also reduce opportunities for the inclusion of Slovene automobile component manufacturers as subcontractors in the production of Skodas. They have established a service that will seek new suppliers, who will have a lot of opportunities to become subcontractors for the entire Volkswagen firm. According to that Czech plan, they are to prepare a narrower selection of Slovene partners as early as September. The Germans are demanding that a list of "negative" partners be prepared first, and Avtoimpex is then to seek alternative solutions in Slovenia.

We are not the only ones having difficulties with Skoda. The Czech government has already noted that it signed a quite unfavorable contract with Volkswagen. Specifically, Skoda is now exploiting its monopolistic position in the Czech market and constantly raising prices. At the same time, it reacts sharply to any sort of proposals for reducing tariffs, citing past promises by government representatives that they would limit automobile imports and thus Skoda's competition. Furthermore, Skoda's Czech subcontractors are having the same difficulties as ours. Volkswagen is not signing long-term contracts with them, but only three-month ones. The new Skoda, which will be coming out of the factory to the market in September 1994, will have 70 percent new parts. Volkswagen has mostly employed suppliers from Germany. The new Skoda model will have Golf motors installed for the Western market, and Skoda's for the East European market.

The government representatives said that the Czechs did not want to reduce the standard for the 60-percent Slovene origin of automobiles to which tariff reductions determined by an intergovernmental agreement could be applied, because they are allegedly blocked from doing so by their associate membership agreement with the EC, which they must not violate. That reduction in the standard would be favorable for sales of Revoz's automobiles. Revoz, however, has been attacked by some domestic suppliers, who claim that they could increase the share of Slovene automobile component producers in production at the Novo Mesto factory. Revoz's representative explained that there are so many French parts because they export most of their production to the Western market. Furthermore, they also say that it will be very difficult for Revoz to increase the "Slovene origin" of its automobiles to 60 percent during the next five years. Some other suppliers were of the opinion that it would be better if Revoz gave more help to Slovene automobile component producers in penetrating the Renault firm, and the same thing also applies to Skoda. Specifically, Revoz's quantitative production is so small that suppliers would not benefit much from increasing their participation in Revoz's production. The suppliers would also have to participate in the very development of automobiles, and not just be included later on.

Slovene Chamber of Commerce representatives think that in this case, any sort of administrative or quantitative limit on imports would be inappropriate. The government, in fact, is making an effort to open up foreign markets, which are vitally important for Slovenia, as much as possible for Slovene producers. That is why it is also necessary to open the Slovene market to foreign enterprises. The government is making many more mistakes in regulating the market, which has been liberalized too much. Gray imports of automobiles are already such a case. They are extremely favorable for individuals, but the state easily loses money this way.

Slovene Firms Charged With Violating Sanctions

93BA1428A Ljubljana DELO in Slovene 19 Aug 93 p 3

[Article by Domen Rant: "Charges Because of Violating the Embargo Against Serbia"]

[Text] Ljubljana, 18 Aug—It is obvious that the answers to the questions being raised in connection with the Srpska Zajednica [Serbian Community] society, which paid rent to the Marketing enterprise in Trzin for the offices of RTB [Belgrade Radio-Television] in Ljubljana, will soon be clearer. Today, in fact, Republic Market Inspector Adolf Hillmayr began writing charges against the Srpska Zajednica society and the Marketing enterprise for an economic crime (violating the embargo), and he will later turn them over to the basic public prosecutor's office in Ljubljana.

As Hillmayr emphasized, according to the information that he received at the Marketing enterprise in Trzin, Belgrade television correspondent Dragoslav Kosaric was employed at that enterprise as an assistant director. He did not do anything there, to be sure, but he received gross wages of 80,000 tolars, which he allegedly took care of himself, as Marketing's director Dragan Ilic emphasized in a talk with the market inspector. That means that his salary was paid out of the rent that the Srpska Zajednica society paid to the Marketing enterprise. It is interesting, as Hillmayr emphasized, that the Marketing enterprise always (except in one case) recorded the money that it received from the Serbian society as an advance payment on the rent. They recorded the money,

and from 6 August 1992 to 1 June 1993 they forwarded somewhat more than a million tolars. Hillmayr said that according to these calculations the Srpska Zajednica society still owed the Marketing enterprise some more money, since the marketing enterprise spent approximately 1.2 million tolars for teh wages that it gave the Serbian reporter and for paying 25-percent taxes.

In any case, up until 1 March 1993 the Serbian society paid the Marketing enterprise 3,000 German marks in rent a month, and then only 2,000 marks. The size of the rent was reduced because they rented six square meters of office space for Dragoslav Kosaric, the RTB [Belgrade Radio-Television] correspondent in Slovenia. Hillmayr emphasized that Marketing director Dragan Ilic did not feel guilty, since he thought that the Serbian reporter needed money to live on. Hillmayr likewise did not see the contract that Marketing concluded with Belgrade television, but he thinks that the marketing enterprise had to terminate it upon the imposition of the embargo. At the Srpska Zajednica society, the republic market inspector obtained a letter that the society was sent on 8 October 1992 by RTB, reminding them that they had to observe the contract to rent the office space at 9 Miklosevica, which was concluded on 5 February 1992. They likewise warned them that if they did not forward the money to the Marketing enterprise's transfer account, they would terminate the contract to rent the office spaces.

According to Hillmayr, that letter is also evidence that the Srpska Zajednica society cooperated with Slovene television. He thinks that after the embargo was imposed the Serbian society had to terminate that contract. There is also the problem that all the rent payments for the RTB spaces in Ljubljana were sent to the Marketing enterprise in Trzin after the UN Security Council resolution went into effect, which the law on the embargo prohibits. In any case, Hillmayr expects to turn the entire matter over to the basic public prosecutor's office in Ljubljana in a few days.

[Box, p 3]

Article 7 of the Law on Implementing the UN Security Council Resolution, which the Slovene State Assembly adopted last October, says that physical persons from the Republic of Slovenia and legal persons headquartered in Slovenia may not keep financial funds in accounts in banks and other financial organizations in our state, if those funds or property are owned by or originate from the property of or are under the control of bodies, enterprises, and other legal persons headquartered in the FRY [Federal Republic of Yugoslavia]. Those who violate the law have to pay at least 200,000 tolars in fines. The Marketing enterprise could also be fined under that article of the law. In fact, Hillmayr wrote in the charges that the Marketing enterprise kept Belgrade television's money and intended it for paying Dragoslav Kosaric's salary.

Kucan Receives Credentials of South African Ambassador

93P20350A Ljubljana DELO in Slovene 9 Sep 93 p 52

[Article by STA: "Republic of South Africa Ambassador Presents Credentials"]

[Text] Ljubljana, 8 Sep—The ambassador extraordinary and plenipotentiary of the Republic of South Africa to the Republic of Slovenia Johannes Petrus Roux presented his credentials to President Milan Kucan this morning. The Republic of South Africa recognized sovereign and independent Slovenia on 2 April 1992 and an agreement on establishing diplomatic relations was concluded on 7 November 1992.

Federal

PRC Official Urges Lifting Sanctions

LD2009202493 Belgrade TANJUG in English 1749 GMT 20 Sep 93

[Text] Novi Sad, Yugoslavia, Sept 20 (TANJUG)—Chen Haosu, who heads a Chinese political and economic delegation on a several-day visit to Yugoslavia (Serbia/Montenego), said during a visit to the Serbian northern province of Vojvodina on Monday [20 September] that China would make every effort to help lift U.N. sanctions against Yugoslavia as soon as possible.

The lifting of the sanctions will enable more extensive cooperation between China and Yugoslavia, said Chen, vice-president of the Chinese Society for Friendship with Foreign Nations, in a talk with Vojvodina's Premier Bosko Perosevic.

Chen said that the embargo announced by the United States against China would no more break the nation than the one against Yugoslavia had broken the spirit of its people, because it was based on false information.

The delegation discussed with Pevosevic the possibilities of more extensive and diverse long-term economic cooperation between China and Vojvodina.

Perosevic said that the U.N. sanctions imposed on Yugoslavia in May of 1992 were crippling the national economy and had caused shortages of the essential medicines and fuel oil for heating hospitals and schools.

Serbia

Radical Party Supports No-Confidence Vote

LD2009150793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1314 GMT 20 Sep 93

[Text] Belgrade, 20 Sep (TANJUG)—The Serbian Government, regardless of what measures it is taking at present, does not deserve our confidence and therefore it has to go. Hence we abide by our decision to submit a demand on 27 September to the republican assembly for a no-confidence motion in the republican government, and we are not interested in whether anyone will support us or not. We are leaving it to all political parties to pursue their own policies and will see how they are going to explain their decision to their voters, Tomislav Nikolic, head of the group of deputies of the Serbian Radical Party in the Serbian Assembly told TANJUG.

Saying that the government could nevertheless stay in power thanks to support from deputies of other opposition parties, Nikolic said that deputies of the Democratic Alliance of Vojvodina Hungarians, the Democratic Party, independent deputies, and possibly deputies of the Serbian Renewal Movement can give support to the government.

As there are 249 deputies in parliament at present, 125 votes for the government to remain in power are necessary, out of which 100 votes belong to the Socialist Party of Serbia.

There are 10 deputies in the Democratic Alliance of Vojvodina Hungarians who can vote for the government—to show their gratitude for the latest cooperation between the Socialist Party of Serbia and ethnic Hungarians, Nikolic said. Five deputies representing a group of citizens of Zeljko Raznjatovic "Arkan" could also lend support to the government, because they always vote for the government's proposals; furthermore, it is also the group of deputies of the Democratic Party and the Serbian Renewal Movement, although they themselves recently demanded the ousting of the government. With all these votes, the government would surely remain in power, Nikolic said.

I believe that only deputies of the Democratic Party of Serbia would not vote for the unsuccessful government, Tomislav Nikolic said.

Ministry's Plan for Household Food Supplies

93BA1441E Belgrade POLITIKA in Serbo-Croatian 25 Aug 93 p 7

[Article by S. Kordic: "Flour and Oil for Ration Stamps"]

[Text] According to the draft of the decree of organized supply of the public, which has been prepared by the Ministry of Trade, every household in Serbia will be supplied quantities of staples determined in advance. From republic commodity reserves, they will receive half a kilogram of sugar, a quarter kilogram of salt, three-fourths of a kilogram of detergent, three-fourths of a liter of oil, and six and a quarter kg of flour per month for each member of the household. In places where there is regular bread supply, everyone will have the right to one kg of flour per month. Peasants who sow wheat will not be entitled to the flour supply.

If it is adopted, this new method of supplying the public with necessary foodstuffs will be administered on the principle of "stamps" or certificates.

According to Radomir Bubanj, representative of the Trade Ministry, family households have the right to supply. Every household should have one supply representative. This "family representative" receives a certificate as to the amount of foodstuffs to which he is entitled during the month because of the number of household members. Certificates for employed supply representatives will be issued, according to the draft decree, by enterprises, for pensioners by opstina pension authorities, for disabled veterans by the opstina administration, for the unemployed by the bureau for the labor market, and for farmers by local communities. Applications and certificates are issued by the 12th of the month.

The prices of these goods, they say in the supply headquarters, will be constantly balanced, as is the case with prices of other goods. The republic government will set the price of these foodstuffs.

For pensioners with low pensions and for needy people, supply will be organized through ration stamps in special stores. These individuals will pay for goods at prices that are 30 percent lower.

It still has not been precisely agreed where flour, salt, oil, sugar, and detergent from commodity reserves will be sold. It is most likely, they say in the supply headquarters, that sales will be organized in the stores of almost all the large commercial enterprises.

Operations in Aleksinac Coal Mines To Resume

93BA1441C Belgrade BORBA in Serbo-Croatian 23 Aug 93 p 12

[Article by D. Stojanovic: "Coal Will Be Mined"]

[Text] There is no longer a dilemma. Coal is going to be mined again in Aleksinac. The project plan for additional exploration of the deposit is now complete, property rights are now being settled with a number of Subotinac citizens, landowners, to mutual satisfaction, and exploratory drilling will soon begin. Thus, as earlier announced, the first tons of coal will be forthcoming no later than the end of this year.

However, by contrast with the previous period, when coal was mined here underground and until the Morava Mine was closed in 1989, now the "black gold" will be strip-mined at the locality Severni Revir and the Dubrva Underground Mine, which is in the immediate vicinity of the settlement of Subotinac. The known reserves of high-calorie brown coal in this area so far amount to about 500,000 metric tons, so that at an annual production not to exceed 50,000 tons, mining would last at least 10 years. One particularly favorable aspect is that the coal is at a depth of between 1 and 4 meters beneath the surface, which certainly simplifies exploitation.

There is general public justification for opening this mine, because coal at the moment is in very great demand on the market, says Slavisa Krstic, president of the Aleksinac Opstina Assembly, who at the same time put the question that if the Morava Underground Mine had an annual output before it was closed of about 70,000 tons of coal, and was supporting nearly 900 employees and the members of their families, why might not a strip mine with somewhat smaller output provide an existence to 50 workers, which is the number planned for this mine?

In any case, for the present the final decision has still not been made about what method will be used to mine the coal at this location; that is, whether to use the well-known conventional method (with bulldozers, draglines, and other similar machinery), or the so-called hydromonitor method, which is used in mining quartz sand and for which Kolubara has all the equipment, and Russian experts would come to help? Its advantage is that it makes it possible to mine coal even from greater depths; what it amounts to is that water is injected under high pressure into a borehole, where it first breaks up the coal and then "shoots" it to the surface.

The contractor for this work would be the Aleksinac Construction Firm Moravica, which has already added this line of business to its registration, and the exploratory drilling work would be done by experts from the Soko Mine in Sokobanja. As for the market, there will be no problems, because traditional consumers have already expressed a great interest in ordering considerable quantities of coal, because they all have boilers adapted for Aleksinac coal.

We should add that after 10 years of exploitation, on the site which will be occupied by this strip mine, they will probably create a small storage reservoir with water from the nearby Moravica River, in which they would raise trout.

[Box, p 12]

Yugoslav Texas

Numerous facts indicate unambiguously that the Aleksinac Coal Basin, and especially the area in the vicinity of the village Subotinac, is a Yugoslav Texas or Ruhr region in the true sense of the word because of its energy potential. Few countries in the world, after all, have 28 million tons of known reserves of high-calorie brown coal and about two billion tons of oil shale from which nearly 200 million tons of synthetic petroleum can be extracted by refining, especially not in such a small space.

"We are surrounded by an untold treasure, and it is a pity that we live in such times, which are preventing us from living in prosperity," says Trivun Stevanovic, president of the Council of the Subotinac Local Community.

Montenegro

Bulatovic Comments on Talks With Berisha

AU2009135293 Belgrade RTB Television Network in Serbo-Croatian 2014 GMT 18 Sep 93

[Interview with Montenegrin President Momir Bulatovic by Radomir Grujic in Podgorica; date not given;—recorded]

[Grujic] The reason for our visit [to your home] and your participation in this program is your recent visit to Albania which was actually your first visit to Albania, and yet you are close neighbors.

[Bulatovic] Well, yes.

[Grujic] You went neither as a citizen nor [pauses].

[Bulatovic] No, but this country has always intrigued me, particularly when we were beginning to think it was impossible to go to Albania, although it takes 20 minutes from Podgorica—where we are now—to the border by car.

[Grujic] This is a country of bunkers, but it seems that things have started moving there too. You went there. Of course, you spent only a day there. Can you tell me your impressions? Can one make any assertions on the basis of a one-day visit?

[Bulatovic] Well, after a one-day visit one can assess those things that were the topic and substance of our political talks; in order to acquaint oneself more thoroughly with a country, one must spend more time there. However, political talks are based on preparations, through which one acquires the necessary knowledge, from people whose opinions one values concerning the situation in the country one is visiting.

Albania is currently in the full swing of a positive process, the process of democracy; it is now [pauses] from the time when it was hermetically sealed and relied solely on its own resources—by the way, we are witnessing how difficult this isolation, that has been imposed on us from outside, has been for us, and how impoverished we have become after a year of economic sanctions—we can guess just how much Albania's isolation has "contributed," so to speak, to the economic development of this country. However, this is a country that in any case is now positively, democratically and through political means trying to resolve its enormous internal political problems. Furthermore, this is a neighboring country, with which we have a lot of misunderstandings regarding regions and whose outlook concerning current issues significantly differs from ours. One of the issues is the reason for the war and the likelihood of achieving peace in Bosnia-Herzegovina, as well as ways to solve the problems in Kosovo and Metohija, where the granting of rights belongs to the Albanian national minority in Kosovo—according to international norms andstandards.

However, these controversial issues—as both President Berisha and I assessed—have remained controversial; we have practically confirmed our differences. However, what is most important is that we have concluded that, as regards other issues, issues that ensue from our relationship as neighbors, joint economic interests, and the necessity for communication between people in this area, provide enough motivation for cooperation and we have to take advantage of this. The dialogue we initiated cannot, of course, give immediate, spectacular results, but I believe that it is very significant that we have started talking. The circle of organizations that determine relations in our region, and peace and stability in the Balkans, is not large; I hope that the Republic of Serbia will soon join this dialogue, the Federal Republic of Yugoslavia [FRY], that is, and that along with Greece, Albania will contribute to a lasting peace and stability in our region.

[Grujic] Well, since we have broached this subject, the days following your visit abounded with speculation as to whether you went on this visit as president of Montenegro, or as part of a Yugoslav delegation? In what capacity did you take this trip?

[Bulatovic] Well, you see, this speculation as to whether this was a republican or state visit, is, unfortunately, a consequence of certain circumstances and those are that our state, our homeland, the FRY—which is a reality, an expression of the will and commitment of the FRY citizens—is not recognized right now as a reality by a great part of the international community. We cannot accept this fact, and we are using all the possibilities and diplomatic channels to reach the world; to talk to them; to show that the truth about us is not what the media or various propaganda machinery are trying to project. Montenegro decided in a referendum to be a part of the FRY; we are proud of this, we believe we are the creators of this state; therefore, every foray into the world is nothing more than an affirmation of our policy, which is to contribute to the development and growth of the FRY.

[Grujic] Let us go back to the issue of Kosovo and Metohija. We have often had occasion to read in the papers that the Albanian President, Mr. Berisha, has supported the secession of Kosovo and Metohija, of the famous Rugova and his associates—down there on our territory. I am sure you discussed this?

[Bulatovic] Yes. I would like to emphasize some of the positive and new elements expressed in these talks. I am aware of all the political statements that have provoked the existing level of differences, but I hope that the dialogue that has been initiated and which will be continued, will contribute to bringing the problem of Kosovo and Metohija to a tenable level. All the political statements that we, the people who are most responsible politically, make, have to be interpreted—in any country in the world—in the light of the internal political situation and in the light of other facts that at first glance are not completely clear or familiar.

I suppose that President Berisha—even within the framework of the Democratic Party—has a tougher, more radical political wing that insists that the issue of Kosovo be presented as a somewhat sharper, stronger option from time to time, perhaps to relativize some internal problems. However, I was very encouraged by the fact that the Albanian side is not insisting on a border change, that it is ready to accept the indisputable fact that Kosovo is an integral part of Serbia and the FRY. However, naturally—as the mother country or the neighboring country—it wishes to ensure that the Albanian minority in Kosovo achieve an appropriate degree of minority rights protection.

I believe that it is very important to take into account the following: It is possible to relativize through direct dialogue the demand to have this degree of autonomy regulated by the 1974 Constitution. This is a vital

political issue and the demand for it exists not only in Kosovo and Metohija, but also in some political circles in Albania. It is truly unbelievable that a new, democratic way of thinking—which luckily is coming into being in Albania—is going back to a document that is a document of one-party rule, and is making this document its supreme goal. This document incorporates entirely different political values, a document that has exhibited so many weaknesses that it significantly contributed to the breakup of our former homeland, the Socialist Federal Republic of Yugoslavia.

Essential progress in this respect is being made at a time when—on the basis of an irrefutable request for a certain degree of autonomy—one takes to leafing through international documents, conventions, and pacts on human rights, and then, on the basis of the same, insists on those solutions that the FRY and the Republic of Serbia must give and want to give to members of all minorities and ethnic groups in our state, and that are in accordance with their constitutions.

[Grujic] Therefore, this includes the Albanians who live [pauses]. You said that Albania recognizes the present borders. However, this border is often the scene of—I would not say excessive behavior since people are dying, our soldiers, border troops are dying [does not finish thought]. Did you discuss this?

[Bulatovic] Yes, we discussed this very thoroughly. To be quite honest, I noticed that our collocutors were quite shaken by the fact that people are dying. They believe that these people did not wish to cause our state any harm, that they had been visiting their families, even that this part of the border had not been marked. We expressed our deep regret for all these border incidents and for all the victims, both on our side and the Albanian side. In time, this border should become more open and should link two democratic states and two fundamentally friendly peoples, because we have no reason to provoke mutual animosity. That is why we proposed a meeting of an interstate committee for avoiding border incidents and to have experts take all the necessary measures to avoid new, unpleasant, and tragic incidents in the future.

[Grujic] According to some information, in Albania there are so-called training centers for the most extremist Albanians in Kosovo-Metohija. Did you discuss this issue, too?

[Bulatovic] No, absolutely not. I cannot treat this information as absolutely certain. I do not think that this would be sensible and it would not be in line with the already clearly expressed Albanian stand, namely a readiness to normalize relations, recognize reality, and embark on the path of peace-loving cooperation. I think that it would really be catastrophic for us to proceed from the assumption that our countries are preparing such things for each another. This would practically be a first step toward a war that would not bring anything good to anyone in this region.

[Grujic] What is your interpretation of the latest statement by the Albanian foreign minister—which he made subsequently, after your departure, I think—that, and I am paraphrasing him now, Montenegro should be supported in its drive for independence, or something like—I do not know—you probably heard the statement.

[Bulatovic] Yes, I heard about the statement. Thanks to the people who work with me we tried to trace the source of this statement but did not manage to do so. We carefully scanned the press published in the Republic of Albania. It appears to me that all comments are permeated with a positive approach to the normalization of relations between Montenegro and Albania. In other words, this also means the acknowledgement of the reality that Montenegro is a federal unit in the Federal Republic of Yugoslavia, and of a readiness for dialogue with the Federal Republic of Yugoslavia .

[Grujic] In essence, you consider this visit as a shift forward in relations between Yugoslavia or Montenegro and Albania.

[Bulatovic] I think that this visit is a shift forward and that it represents a sincere need of citizens in both the Federal Republic of Yugoslavia and Albania. We had the opportunity—these are perhaps my own personal impressions—to observe the expressed wish and readiness of many citizens on the way to Tirana to live together, cooperate, trade, and visit each other. To tell you the truth, I carefully looked but did not notice even a single hostile look among this large number of people. Perhaps I am wrong, but I would like to believe that the future of our relations are cooperation and coexistence rather than further continuation of conflicts that could not bring anything good to anyone.

[Grujic] Mr. President, I forgot to ask you about the Montenegrins who emigrated from Vraka. They have been here for a few years, in Montenegro and Kosovo-Metohija. Were they also discussed?

[Bulatovic] You see, Albania is preparing a very good and progressive version of the law on minorities. At present the protection of minorities' rights in Albania is almost nonexistent. Minorities do not have the right to a national identity and I hope that this is only a consequences of a failed regime that had been in power there for a long time.

We paid special attention to the issue of minorities in our talks. We believe that Montenegro—which exhibits a fairly cooperative attitude toward the Albanian minority in Montenegro, thanks primarily to their readiness to be active protagonists in the political institutionsand political life of Montenegro—can be a positive example of how people can live together and cooperate regardless of their national or religious affiliations. We consider this to be a positive example and see it as Albania's further efforts to ensure the protection of the same national and ethnic rights for both the Serbs and Montenegrins in Albania.

One should be realistic and say that at the present we do not even know the exact numbers of our minority, nor their actual situation in terms of their national, spiritual, and educational emancipation. We see it is our obligation to help the citizens who consider themselves to be members of the Serbian and Montenegrin peoples but have Albanian citizenship to organize themselves and simply start, in the changed democratic milieu of Albania, using all instruments for the protection of their national and ethnic rights.

You also asked me about the citizens of Vraka. I met their representatives. I know that some of them are very dissatisfied with what the Republic of Montenegro is doing. Thanks to cooperation with the Republic of Serbia we managed to find accommodation for a number of these refugees in Kosovo-Metohija. A number of those who were dissatisfied returned. However, I asked them to understand that Montenegro and the Federal Republic of Yugoslavia have met their wishes in full. As you know, their wishes were considerable. They came to their homeland, among their own people, they thought that their life ambitions were fulfilled. If we had done this, even if we could have done it for 2,000 of them, we would have had to do it for 20,000 of them. We would have in fact been helping those who do not want members of our minority to remain in Albania in the creation of an ethnically pure region.

I know that it is not easy to accept these arguments. Separation from the state is sometimes inevitable. However, I hope that after our meeting, and judging by the support we have received from the residents of Vraka, that the moment of accepting them and our reconciliation is much closer now than in the past.

[Grujic] Their property was left behind.

[Bulatovic] Their homes.

[Grujic] There will probably be some discussion about that, on how to compensate them.

[Bulatovic] Yes. This is now a subject of further discussion. We must be realistic in all this. This means that as a state Albania is facing enormous problems that take much greater precedence than the one we have just talked about.

[Grujic] Mr. President, is there anything that I did not ask you but that you would like to say something about or comment on. Perhaps something about your impressions of the first visit there.

[Bulatovic] I would like to say that dialogue is of exceptional importance and that all those who think that the differences between us are so great that we should not even hold talks are not right. I think that they should reconsider their position. I am aware that this visit can be viewed from a less positive point of view, that it could be reproached for many reasons. However, I am convinced that the more radical political elements in Montenegro and Serbia, that is, in the Federal Republic of Yugoslavia, cannot disregard the fact that such talks can only be beneficial rather than harmful. I hope that our visit also contributed to the fact that five of our citizens, five seamen who have been in harsh Albanian prisons for a long time—true, for violating Albania's laws—will soon be seeing the light of freedom. On the basis of the information I subsequently received from Albania I am greatly optimistic in this respect.

Macedonia

Gligorov Opposes 'Inappropriate' Solution in Bosnia

AU2009192693 Skopje MILS-NEWS in English 20 Sep 93

[Unattributed report: "Gligorov: Peace, Without Violating the International Norms"]

[Text] After his talks with the cochairmen of the peace conference for former Yugoslavia, Lord Owen and Thorvald Stoltenberg, President Gligorov stated that they talked about everything that has been done in establishing peace in Bosnia-Herzegovina. The cochairmen were interested in hearing Macedonia's opinion on this, and of the ways in which the problems with Krajina, Kosovo, and the disrupted economic ties and roads can be settled.

"Asked about the character of the negotiations which are in progress and whether they will bring peace, we as a state expressed our support of everything that will lead to peace. However we also pointed out the possible consequences that a treaty, which violates international norms concerning the nonviolation of borders, will have. We pointed out that these norms determine that territory cannot be taken by force, and the possible consequences of these kind of solutions in solving the problems of the Balkans and everywhere in the world, as a precedent in international practice," pointed out President Gligorov.

He also said that Macedonia was asked for council and its opinion on the question of Kosovo. It was also asked that through talks with Izetbegovic he be influenced in order to sign a peace treaty. "We are always ready to help, but this does not mean that we will support any solution which we feel is inappropriate, regardless of whether we view this from the view point of the future of Europe, the situation on the Balkans and of course first of all viewed through the national interests of this state," stated at the end President Gligorov.

Kosovo

Activities of Financial Police Discussed

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[Article by M. Vujovic: "600,000 German Marks Seized in Ilirija Holding"]

[Text] Pristina, 24 Aug—Since 10 August, the financial police of the Pristina area unit have made an additional commitment to detecting irregularities in the business operation of firms in several Kosmet cities. They have committed to this task 236 inspectors, who mainly are not from communities in Kosmet, and they have conducted 622 inspections in Urosevac, Stimlje, Lipljan, Vucitrn, Malisevo, and Pristina, and they have discovered extensive tax evasion and have confiscated large quantities of goods.

Goods valued at about 600,000 German marks were taken from the firm Ilirija Holding D.D. [joint-stock company] in Pristina. The seizure from them included 200 metric tons of edible oil, 300 tons of detergent, 7,000 liters of various alcoholic beverages, 10.8 tons of rice, motor oil, and other technical products. The goods were confiscated, because they had been improperly stored and were not covered by proper documentation.

In addition, the financial police in other firms seized 123 tons of flour, 17 tons of sugar, 16,500 liters of oil, more than 3,000 liters of carbonated juices, various building materials, auto parts worth 110,000 billion, clothing, technical goods, hygiene products....

All the confiscated goods are stored in separate warehouses and at the end of proceedings will be offered to the market and sold at retail under supervision of the financial police. The financial police will also confiscate goods from producers if they have stored them and not offered them on the market, especially in the case of strategic products: vegetable oil, sugar....

They are also monitoring the flow of goods coming from the former Yugoslav republics and which are not being reported to customs authorities. Firms importing these goods will have to pay customs, and those who are late will be burdened with high daily interest. The financial police have in the last 10 days or so also calculated the turnover tax which is being evaded, and in 622 inspections they calculated about 13,000 billion in tax, 80 percent of which has been collected. Those who are late will be billed a daily rate of interest of 10 percent.

This information was presented today in a press conference by Zivojin Mitrovic, director of the Republic Revenues Administration for Kosovo and Metohija, adding that the financial police in Kosmet are at the very top in the republic for efficiency. He also said that two disciplinary charges have been filed in this period against inspectors from Pristina who had violated the law.